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# Latin America Report

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22 April 1985

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INTER-AMERICAN AFFAIRS

TRINIDAD-TOBAGO, BARBADOS LEADERS TALK AT ADAMS' FUNERAL

Port-of-Spain TRINIDAD GUARDIAN in English 18 Mar 85 p 1

[Article by George Harvey]

[Text] BARBADIANS awoke elated yesterday morning with the news that the healing process had taken a positive turn, in that Trinidad and Tobago and Barbados will exchange resident High Commissioners soon.

It was a widely-welcomed soothing balm in the midst of the mourning throughout the nation over the sudden death, last Monday, of Prime Minister Tom Adams, who was buried on Saturday.

Agreement for full diplomatic relations came during impromptu talks in Bridgetown between Trinidad and Tobago's Prime Minister George Chambers and newly-appointed Barbados Prime Minister Bernard St. John, along with Foreign Minister Louis Tull.

Official sources reported Prime Minister Chambers as saying in Bridgetown that the exchange of resident High Commissioners was the "greatest tribute" he could pay to Tom Adams.

Relations between the once-closely knit Caricom neighbours plunged dramatically in October, 1983, with then High Commissioner to Barbados Basil Pitt being recalled at the request of Mr. Adams.

The action was triggered through differences between the two countries over the joint United States-Caribbean forces' invasion of Grenada.

Leading Forces

Adams had accused Mr. Pritt of being "an outright liar" in denying that the Barbados Prime Minister had told him of the planned invasion. Adams said then: "I have no alternative but to ask Mr. Chambers to withdraw accreditations."

Trinidad and Tobago did not take part in the invasion, in which Barbados and Jamaica were the leading Caribbean forces.

Since the withdrawal of Mr. Pitt (now High Commissioner to Canada), Mr. Peter Rambert has been acting as High Commissioner.

Relations between Barbados and Trinidad were on the upturn recently, with Prime Minister Chambers accepting an invitation from Mr. Adams for a State visit at his convenience to thrash out outstanding differences.

Talks started at the level of officials to lay the groundwork for the upcoming visit. The healing process visit was aborted with the sudden death of Mr. Adams.

The diplomatic decision reached while Mr. Chambers was in Barbados attending the funeral answered in the prayers of a very perceptive Rev. Harold Cricholow, Dean of St. Michael's Cathedral in Bridgetown.

In delivering the eulogy for the late Prime Minister, the Dean said: "I am sure that Prime Minister Adams would want me to say that if as a result of his death, Barbados' relations with Guyana and, in an entirely different way, with Trinidad return to normal, his death would not be in vain.

"We are particularly pleased to welcome, along with other Caribbean Heads of Government President Forbes Burnham of Guyana and Mr. George Chambers, Prime Minister of Trinidad and Tobago. With the humility that was characteristic of Prime Minister Adams, we thank you for the glowing tributes paid."

CSO: 3298/483

INTER-AMERICAN AFFAIRS

ARGENTINA-CHILE BORDER CROSSING SITUATION CLARIFIED

Santiago EL MERCURIO in Spanish 21 Feb 85 p C-3

[Text] Drivers of Chilean vehicles who wish to cross the border into Argentina can do so without difficulty.

Rafael Carranza, the Argentine consul general in Chile, made this statement yesterday to clarify the confusion created recently when a complaint was voiced through the press that permits issued by Chilean municipalities to Chilean tourists were not being honored.

According to the newspaper report, Argentine customs officials have allegedly prevented Chilean vehicles from entering Argentina, claiming that they had not been informed about the new single license plate and the new permit which has replaced the former one.

The diplomat said, "The report on the alleged prohibition against entering is a bit exaggerated. At Las Cuevas, no vehicle has been turned back for this reason."

He added that the problem was no doubt that some document required for entering Argentina was missing but in no case was it due to the new permit. Carranza added that Chilean tourists who travel in borrowed autos frequently do not take the required steps to make their status legal (notorized documents must be provided by the owner and the Ministries of Justice and Foreign Relations in addition to a permit from the Consulate), for which reason they may be prevented from entering Argentina.

Response From Mendoza

The consul reported that the Mendoza customs officials had also been questioned about this. They said that at least the personnel at the border crossing at Los Libertadores had been informed of the changes in Chilean documentation.

He also said that the Chilean consul in Mendoza had announced the existence of the National Motor Vehicles Register and of the single license plate just as he had with the change in identification cards about the middle of 1984.

Finally, Carranza added that no formal complaints on this matter have been received at the consulate so he attaches little importance to it. He believes that the report must have stemmed from an isolated case in which a driver was not allowed to enter Argentina for some reason other than the new documents.

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CSO: 3348/428

INTER-AMERICAN AFFAIRS

ARGENTINE FIRM TO MAKE FIRST SHIPMENT FROM CHILEAN PORT

Santiago LA NACION in Spanish 21 Feb 85 p 11

[Article by Raul Santiz Tellez]

[Text] Valparaiso--Julio Allub Harlla, president of the Argentine firm Bodegas Y Vinedos Giol, after making an unofficial visit to consider the use of Valparaiso to export goods to Pacific ports, said that he was satisfied with the port facilities in Valparaiso.

Ivan Leiva Gonzalez, the port director, told this to LA NACION yesterday while evaluating the results of the visit made by the entrepreneur.

The Giol enterprise, one of the most important in Argentina and the largest in Cuyo Province, with headquarters in Mendoza, is financed through private and government capital. It exports most of its production through Buenos Aires, with the remainder kept for domestic use.

Taking advantage of the fact that he was on vacation at Vina del Mar, the president of Bodegas Y Vinedos Giol visited the port last Tuesday. He found the facilities there to be very satisfactory.

The port director said that Allub had found the dock warehouses to be quite adequate since the 230-liter plastic drums in which wine or concentrated must are exported can be stored there quite satisfactorily. He said that these products cannot be stored outdoors, but must be protected from the weather, and the warehouses satisfy this requirement perfectly.

He was also pleased with the container terminal with the enormous SAAM crane and the large dimensions of the storage area from which the special 23-ton containers, which are also used for exporting wine products, could be loaded onto ships.

He said that during 1985 the total exports would not be less than 10,000 or 12,000 tons of concentrated must, which are under order from Colombia where a Giol subsidiary is being set up. Also, he did not exclude the possibility that these initial figures might be increased by adding shipments to Venezuela and Peru which are now shipped through Buenos Aires. This is more costly due to the greater distance and the longer navigation time.

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CSO: 3348/428



INTER-AMERICAN AFFAIRS

TRANSANDEAN PROMOTION GROUP TO MEET IN APRIL

Santiago LA NACION in Spanish 20 Feb 85 p 3

[Text] The entrepreneurs of Mendoza, Cuyo and Region V, who have formed the Transandean Promotion Corporation [CPT], are motivated by a common interest in reactivating the present commercial, cultural and tourist ties and in opening up prospects for new ones. Eduardo Tellechea, president of the Chilean branch of the CPT, said that this became quite clear when, at a meeting held at Vina del Mar, it was decided that on 25, 26 and 27 April 1985 the CPT will hold its third convention at Vina del Mar, the "Garden City."

The CPT, which is connected with the Regional Chamber of Production and Commerce of Valparaiso, was established in 1976 by entrepreneurs of Mendoza and Chile for the purpose of fostering closer links between the two countries. The organization is made up of private entrepreneurs, businessmen, industrialists, customs authorities, bankers and members of the tourist and other sectors.

A broad agenda has been prepared covering maritime, air and land transportation, customs, culture, ports, industry, tourism and legal problems, which will be discussed by working committees consisting of prominent specialists. Representatives of many institutions such as the National Association of Shipowners, the Valparaiso and Aconcagua Association of Industrialists, the customs authorities and organizations such as the National Tourist Service, the Municipalities of Valparaiso and Vina del Mar and the Port and Maritime Authority have promised to attend the meeting.

In economics and geography Chile and Argentina are countries which complement each other. Cuyo and Mendoza urgently need to have available for their use a port terminal on the Pacific and they are in fact linked to Region V by an excellent roadway. The Valparaiso area has excellent ports such as Valparaiso itself which is an extraordinary asset. Part of the highways are in good condition or are being enlarged or repaired. The Port Authority provides excellent services and the policies of the customs authorities are realistic. In addition, the customs agents are very professional in their work. Also, in Valparaiso, there are branches of the most important banks in the world. It was reported that the date of the meeting at Vina del Mar will coincide with the date of the inauguration in that city of a branch of the Bank of Mendoza, a strictly regional organization belonging to Mendoza Province which up to now has not had branches abroad.

For Cuyo Province this provides not only the means for moving its goods through a terminal nearer than Buenos Aires or Bahia Blanca but also the ability to export its goods by a direct route to the Pacific and its markets. It is evident that the Argentines of the Midwest are very interested in Chilean ports since the present and future large consumer, without a doubt, are in the Pacific basin and even the Indian Ocean since India now has 500 million inhabitants who represent great potential as consumers. Argentina, with all of its great wealth, can with certainty expect to become an important provider for those countries and Chile can expect to become the channel of rapid communications which lowers costs, in which all countries are interested because the lowering of operational costs means winning new markets. For Argentina, for the Midwest, the Chilean ports are ideal.

There is no doubt that the third convention of the CPT will make a valuable contribution to closer ties between Chile and Argentina since its conclusions and studies will be handed over to the central national authority.

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CSO: 3348/428

INTER-AMERICAN AFFAIRS

25 LATIN AMERICAN, CARIBBEAN NATIONS SEEK SUGAR MEETING

FL290106 Bridgetown CANA in English 2016 GMT 28 Mar 85

[Text] Washington, 28 Mar (CANA)--Twenty-five nations from the Caribbean and Latin America today requested the convocation of a meeting to discuss the serious situation facing sugar exports to the United States, according to the Organisation of American States (OAS).

In a note sent to the executive secretary for economic and social affairs of the OAS, Julio Cesar Gil, the countries, including six from the English-speaking Caribbean, requested a meeting on 10 April of the special Committee on Consultation and Negotiation (CECON).

The request indicated that the sugar programme enforced by the United States Government since 1982 has seriously restricted the access of sugar exports from Latin American and Caribbean countries to their traditional market in the United States. This has caused a serious situation which adversely affects the sugar industry in the region and weakens its capacity to generate foreign exchange earnings which are fundamental for our economic development.

It also pointed out that the United States Government has recently reestablished an import fee whose effect will further reduce the foreign exchange income of our countries.

As of 1 April, the import fee will be raised to 2.72 cents per pound of sugar entering the United States, OAS estimates indicated that regional sugar exporters stand to lose US\$5.4 million dollars for every 100,000 tons of sugar shipped to the United States as a result of the increased fee alone.

The note said that during the CECON meeting, the member states will have the opportunity to exchange information on this matter in an effort to find feasible means of avoiding the aforementioned adverse effects on inter-American trade or, if appropriate, to discuss the revocation of these measures.

Signing the note were representatives of Antigua and Barbuda, the Dominican Republic, Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, St Kitts and Nevis, Trinidad and Tobago, Uruguay and Venezuela.

INTER-AMERICAN AFFAIRS

LABOR CLIMATE AS AFFECTED BY TRANSNATIONALS EXAMINED

Kingston THE DAILY GLEANER in English 15 Mar 85 p 8

[Article by Rickey Singh]

[Text] After what ALCOA has done to Jamaica, the Caribbean Congress of Labour (CCL) will simply have to cut out some of its traditional 'ole talk' and start strategising with its affiliates on how to prevent U.S. corporations from suddenly and rudely dislocating economies in the region and, consequently, creating greater problems for Caribbean workers.

For a quarter of a century, this U.S. aluminium corporation has been engaged in a profitable mining business in Jamaica. Then last month, with just twenty days' notice to the government, Alcoa decided to close down, indefinitely, its 800,000 tonne alumina refinery on the island.

Coming, as it did within months of another American corporation, Reynolds, surprisingly ceasing to mine bauxite in Jamaica, the Alcoa move was like kicking a man when he is down.

FOR, RIGHT NOW, JAMAICA, traditionally friendly to transnational corporations like Reynolds and Alcoa, is, economically, on its knees.

If the democratic socialist Michael Manley were in office, "socialist" politics might have been blamed for Alcoa's lack of confidence in Jamaica. No such excuses could be advanced with the region's strongest advocate of free enterprise capitalism, Edward Seaga, as Prime Minister.

Embarrassment was all over his face when Seaga had to publicly admit that Alcoa's closure was "shocking and reprehensible", explaining that his government first learned of the U.S. corporation's plans "on the streets", before getting official confirmation from the company.

Just a few years ago, another American corporation, Hess Oil Company, did worse in another member territory of the Caribbean Community, when it insisted that all members of the St. Lucian Parliament approve its plans to establish an oil trans-shipment facility on this Eastern Caribbean island.

With an impending election and thousands of St. Lucians seeking jobs, the capitalist Amerada Hess chose his moment to force an independent Caribbean country to virtually use Parliament to surrender its sovereignty to an American company.

'Sign "yes", all of you St. Lucian MPs' was the clear message, or no deal.

For an estimated EC\$130 million project in what is today an employer of less than 50 regular St. Lucian workers, Hess had its way.

This same Hess who is currently in the news as exploiting labour in St. Croix.

MORE RECENTLY, AND BEFORE Alcoa's shock announcement in Kingston, nationalism in the Netherlands Antilles was dealt a massive

blow when the giant oil corporation, Exxon, decided to close operations in Aruba.

For years oil transnationals like Shell and Exxon have dominated, through their oil refineries and transshipment facilities these so-called ABC islands (Aruba, Bonaire and Curacao).

Aruban nationalism felt strong enough to negotiate with the Dutch, "separate status" within the Netherlands Antilles grouping of six islands by 1986, with the possibility of full independence ten years later.

Such plans must now be sensibly reviewed within the context of what this decision by a foreign-owned and controlled oil corporation could mean for these small islands where refined oil contributes at least ninety percent of the value of their exports.

Right here in the Caribbean Community (CARICOM), under the pretext of responding to the needs of this region in accordance with provisions of the Caribbean Basin Initiative (CBI), U.S. branch plants are mushrooming in various territories, including Barbados, with varying labels to describe themselves as Caribbean enterprises. These businesses are taking advantage of our massive unemployed labour force, at comparatively low, low wages, higher, perhaps only than Haiti.

A CHEAP SOURCE OF LABOUR and advances in computers and telecommunications have combined to attract U.S. companies to Caribbean shores where governments, confronted with their armies of unemployed and growing social problems, respond too quickly, some say naively, in granting generous concessions like duty-free importation of equipment and raw materials, cheap office space, full repatriation of profits and low corporate taxes.

One US-owned data processing business, which set up shops in Barbados not so long ago, has boasted how, within one year, American Airlines would save an estimated US\$4 million because of its operations on the island.

What is less talked about, even within the circles of organised labour, is the fact that these workers earn between US\$2.25 —US\$3 an hour compared to the US\$5 —US\$15

earned by their American counterparts.

After years of colonialism, organised labour in the Caribbean seems too unorganised or unable to deal with the exploitation of Caribbean workers by foreign corporations.

The CCL needs to make its own critical examination of the benefits to this region, both short-term, and long-term, of the CBI, "every aspect of which is distorted by an East-West focus", according to the well-known American scholar, Abraham Lowenthal.

This writer has already drawn readers' attention to a recent warning from professor Rex Nettleford of the UWI's Trade Union Development Institute in Jamaica, about the dangers of the CBI being used as an instrument "to subvert Caribbean sovereignty."

IT IS KNOWN THAT many of the CCL's affiliates have benefitted from assistance from the AFL/CIO's arm in the Caribbean, the American Institute for Free Labour Development (AIFLD). The question may be asked whether in the face of "ongoing assistance" and quite a visible "American labour presence" in the region, they are reluctant to draw the line between what passes for "international labour solidarity" and what's good, not for the USA, but for the Caribbean?

One official of AIFLD has actually made it quite clear that while supportive of the labour movement of the region, he and other colleagues of the AFL/CIO were closely monitoring how many computer-type office jobs (cheap jobs in the Caribbean) were moving out of the USA, thereby "depriving American workers".

With the unmistakable bi-lateral strategy of the CBI, created by a US administration that's obsessed with privatisation, the region's private sector seems assured of whatever help may be necessary (money in the Eastern Caribbean Central Bank instead of the Caribbean Development Bank, for instance) to promote the growth of private sector development.

Viewed against this background, the Caribbean Association of Industry and Commerce (CAICO), for one, appears to be a well-placed, properly organised and efficient organisation.

THE QUESTION IS WHETHER the time has not come for organised labour in this region to use all possible resources in making the CCL, as the regional umbrella body of trade unions in the Caribbean, an organisation that's properly structured and equipped to deal with the challenges from both outside and within the Caribbean?



INTER-AMERICAN AFFAIRS

CARIBBEAN CONTINUES TO LOSE MULTINATIONAL CORPORATIONS

Port-of-Spain EXPRESS in English 25 Mar 85 pp 11, 13

[Text]

*IT never rains but it pours and if we feel that we have problems with the withdrawal of Texaco Trinidad Incorporated from the economic life of the country, it appears that others in the region have their own troubles with multinational corporations.*

A grim joke is making the rounds of Central American and Caribbean countries: The last big multinational company to pull out of the region should at least be so kind as to turn off the lights.

In recent months, at least five giant US corporations have said they are closing down their operations in the region. Many others have cut back their activities.

The announcements have sent shock waves throughout the Caribbean region. Unlike large nations with more diversified sources of income, most countries in the region have historically relied on a handful of multinational corporations for much of their income.

"It's a rather serious situation", said Netherlands Antilles Prime Minister Maria Liberia Pertes after Exxon Corp., decided to shut down its 60-year-old refinery in Aruba on Dec 31. The refinery accounted for more than 40 per cent of Aruba's income, about 15 per

cent of the Netherlands Antilles' total income and the only non-tourism jobs in town.

"This is a great blow to our economy", said Jamaica's Minister of Mining Hugh Hart after last month's announcement by Aluminium Co of America (Alcoa) that it was shutting down its 800 worker bauxite plant in Jamaica.

The closing of Alcoa's plant will severely hurt business activity in central Jamaica's Clarendon region and will cost the country US \$61 million in much-needed income this year, officials say.

Alcoa's pullout from Jamaica came shortly after another U.S. corporation, Reynolds Metals, closed its 200-worker bauxite plant in that country.

In Costa Rica, government officials scrambled to find a way to sustain a large part of the southwest region after United Brands announced it would pull out from its huge banana plantations.

The departure of United Brands, successor to a giant fruit company that has been active in Costa Rica since 1899, have brought the isolated area's economy to a standstill. Under a tentative agreement to keep a small part of the operation alive, Costa Rica will buy about 1,200 hectares of the 3,000 hectares the company owned.

In the Dominican Republic Gulf & Western shocked the country last year when it announced it was abandoning its 37,000-job sugar plantations in the province of La Romana.

Gulf & Western's Dominican Republic plants, which indirectly provide employment for an estimated 300,000 people, were subsequently purchased by the Fanjul family of Palm Beach, Florida, which controls large sugar holdings in Florida. The new owners have so far kept Gulf & Western's operations intact.

Caribbean and Central American officials say the multinationals' departure is costing their countries much more than jobs or tax revenues. These corporations maintained public utilities, transportation networks, and schools.

"What's worse, these companies have the know-how and the managerial capability to extract, produce and market these countries' basic goods", said Carlos Gallegos, an economist with the Organisation of American States in Washington.D.C. "Most often, small countries don't have these resources".

Corporations say they are pulling out because of world-market conditions — prices of commodities produced in the region have been depressed for several years



— as well as high taxes and excessive exchange controls.

Many U.S. executives also say they fear that the armed conflicts in El Salvador and Nicaragua may rapidly spread to neighbouring countries.

The price of sugar, the main export product of many countries in the region, is 66 per cent below 1981 levels. Bauxite prices have dropped 15 per cent since 1981, and banana prices 5 per cent over the same period.

Multinational corporations that have diversified sources of income say they are taking a second look at their business mix and concentrating on more profitable ventures, preferably in the United States.

This is because the unprecedented strength of the US dollar shrinks profits generated abroad when translated into dollars. Falling commodity prices brought on by gluts in such products as oil and sugar have kept these companies from increasing sales enough to offset these currency translation problems. Therefore, many Caribbean Basin plants are uneconomical, executives say.

At the same time, the US economy is growing at a fast pace, and corporations need to devote as many resources as possible to expand along with it, they say.

"Corporations look at their plants in these countries and see a drain on their productive resources, rather than a contribution to them," said John Moats, general manager of InterNorth Corp., an energy company with extensive operations in the Caribbean Basin.

"These multinationals can no longer afford carrying marginal operations", Moats said. "It's hard to justify an overseas plant making an eight per cent profit when interest rates in the United States are higher".

U.S. multinationals also are leaving the Caribbean Basin for countries with lower taxes.

Drew Lybrook, spokesman for Reynolds Metals Co., said Jamaica's tax on bauxite exports was an important factor in the company's decision to close down its plants last year. He said Reynolds and other business partners are building a US \$1 billion bauxite plant in Australia.

"The profile of bauxite sources around the world is changing", Lybrook said. "It's moving from the United States and Caribbean countries to South America and Australia".

James Sousane, Standard Fruit Co's regional manager for Central America, said his company looks at Central America as a "high-cost production area".

Costa Rican producers have to pay a 70-cent export tax per 18-kilogram box of bananas, Sousane said. Honduran producers have to pay a 50 cent per box tax, he said. By comparison, Ecuador and Colombia have no such export taxes.

Over the years, these taxes have convinced a growing number of US banana companies to move to Ecuador and Colombia, Sousane said. While worldwide banana production over the past 10 years grew by 15 per cent, Costa Rica's production during the same period dropped 15 per cent, he said.

Central American officials say their countries must collect taxes on banana exports because that is one of their few

sources of income.

"The shift to lower-cost countries is inevitable", Sousane said. "As in any business, banana companies look around to see how to become more competitive".

Standard Fruit has huge banana plantations in Costa Rica but has sold off parts of them over the past few years.

Juan Yanes, head of Exxon's Caribbean and Central American divisions, said tax-related problems are often accompanied by stiff currency-exchange controls that prevent multinational corporations from sending profits home.

Most of these countries have huge foreign debts and have to use their scarce US dollar reserves to pay creditors and import goods needed to keep their economies going, Yanes said. In order to prevent dollars from flowing uncontrolled out of their countries, governments have their central banks decide who can buy dollars to be sent overseas.

"When the time comes to allocate foreign-exchange income, their first priority is to pay their creditors," Yanes said. "Multinational firms wanting to get dollars for profit remittances are put at the end of the line".

Exxon closed its refinery in Jamaica two years ago because of difficulty in remitting profits home, company officials say. The recent shut-down of Exxon's refinery in Aruba resulted from the glut in world oil markets, they say.

While Central American and Caribbean government officials worry about what to do when the most important taxpayers leave town, others are concerned over the possible long-term effects of the multinational's departure.

"We are trying to attract new investments to our countries", said Joaquin V Vallarino Jr., chairman of Panama's Coca-Cola bottling company. "This trend (the multinational exodus) raises questions with potential investors as to why so many companies are leaving".

INTER-AMERICAN AFFAIRS

DECLINE IN CARICOM TRADE BRINGS CONTINUED CONCERN

Port-of-Spain TRINIDAD GUARDIAN in English 20 Mar 85 pp 11, 13

[Text] Kingston (CANA)--After the serious intraregional trade decline that in 1983 fuelled widespread debate on the relevance of the Caribbean Community and Common Market (Caricom), the downward spiral encouragingly slowed last year.

But the trends are still worrying to regional officials, as member states take their time putting in place agreed mechanisms for reversing the downturn.

The Problem

In fact, according to Roderick Rainford, the Secretary General of the integration grouping, the road back will be long and arduous.

We are hoping that it (the decline in Caricom trade), will level out and start to grow again as the measures are implemented, says Rainford.

The problem of Caricom trade is that it has been caught up in the vortex of the international economic crisis, and the attempts of the small and vulnerable Caribbean nations to survive.

Classic adjustment methods such as sharp import curbs and hefty devaluations of local currencies are among the strategies being employed by regional countries to cope with their indebtedness, falling export earnings and high interest rates.

The upshot: Less goods bought not just from the rest of the world, but also from partners in what is essentially a free trade arrangement.

For example, in 1973 when Caricom was launched intra-regional trade accounted for 7.5 percent of the community's total imports, this rose to 9.3 percent by 1981.

This fell back to 8.5 percent in 1982 and at 1983 at a little over six percent, was below the amount of a decade earlier.

Expensive

In dollar terms intra-regional trade in 1983 declined by (US)\$74 million. A fall of 13 percent. Latest Caricom statistics indicate a falloff of (US)\$29.6 million or 8 percent for the first 9 months of 1983 when compared to the previous year.

The present problems with intra-regional trade erupted with Jamaica's introduction in 1982 of a tiered exchange rate system as the Edward Seaga Administration grappled with the country's economic problems.

Most of the country's imports, including products from its community partners were placed on the more expensive parallel exchange market, while the cheaper official exchange rate was used for imports considered to be essential.

Jamaica in November 1983 officially devalued by 43 percent and introduced other mechanisms under which the value of its currency continued to fall steadily.

Caricom partners complained that Jamaica's 1982 action was unfair as it made their goods more expensive here, and Barbados countered by floating its dollar against the Jamaican currency.

Trinidad and Tobago, whose oil-based economy made that country the community's strongest market and major importer later put regional goods under license and curbs on foreign exchange outflows.

The moves were as much to hit back at Caricom as to help stabilise an economy facing the traumas of a softening petroleum market and falling prices for the commodity.

The negative situation in regional trade worsened with the collapse of the Caricom multilateral clearing facility--a system for financing intra-regional trade with the actual expenditure of a minimum of hard currency--largely because of Guyana's inability to meet debts to Barbados.

In difficult times people become more preoccupied with domestic concerns, Rainford said in a comment on some of the reasons behind the trading difficulties. This is understandable.

But the Caricom Secretary General and others find encouragement in the fact that last year the rate of the trade decline was checked.

#### Deadline

However, the 12 Common Market countries have failed to meet the January 1985 deadline for the implementation of a series of recommendations, agreed on by Caricom leaders at a summit in Nassau, last July, for the rejuvenation of intra-regional trade. Caricom's 13th member, The Bahamas, is not a signatory to the Common Market Treaty.

Central to the agreement is a list of so-called sensitive products on which the Common Market countries would substantially increase their common external tariff so as to stimulate intra-regional trade in them.

Jamaica, which cited its World Bank and International Monetary Fund (IMF) commitments to deregulate its economy, was exempt from this requirement for three years.

The Less Developed Countries of the grouping were to raise from 20 to 30 percent the value added requirement for their products to acquire the community free trade status.

The so-called More Developed Countries (MDC) of Caricom--Jamaica, Guyana, Barbados, Trinidad and Tobago--have a 35-percent value added requirement.

#### Requirement

Additionally there was a requirement for the LDC's to take concrete action to remove remaining tariffs on MDC imports.

Certain MDC goods, under the original Caricom Agreement, remained dutiable in the LDC's to protect them from the economies of scale in the larger territories, but these should have been removed long ago.

Only Jamaica, Barbados, Guyana and St Kitts-Nevis have taken action towards fulfilling the Nassau pledges.

The others are at varying stages of implementation, but they all have reaffirmed their commitment to achieving the measures, says Rainford.

According to the Caricom Secretary General, most of the states have cited technical reasons for failing to meet the deadline.

He, is however, hopeful that the mechanisms will be implemented by the time the leaders hold their next summit in Barbados in July.

Despite the emphasis a number of governments, particularly Jamaica's, is placing on exports outside the Caribbean and the lure of Washington's Caribbean Basin Initiative (CBI) with its one-way free trade arrangement, Caricom is still important to manufacturers.

The manufacturing sector in the region, developed in the 1950's, and the 1960's, in many cases still lacks the sophistication and economies of scale necessary to compete in developed countries so the potential of the CBI for instance has not yet heavily impacted on the region.

CSO: 3298/522

22 April 1985

## INTER-AMERICAN AFFAIRS

## BARBADOS FOREIGN MINISTER COMMENTS ON TRINIDAD TALKS

Port-of-Spain EXPRESS in English 20 Mar 85 p 1

[Text]

**TRINIDAD and Tobago has nothing that would make Barbados come "cap in hand" trying to negotiate a better relationship between both governments, Louis Tull, the Barbados Attorney General and Minister of Foreign Affairs, said in Bridgetown on Monday.**

"A better relationship between us is as crucial and even more crucial, to you as it is to us," Tull said, during an interview in the corridors of the Barbados House of Assembly Monday.

"There is this view that it is because we want something from Trinidad we are prepared to come cap in hand to negotiate. Nothing could be further from the truth," he said, adding that among the three major items at issue in discussions among officials on both sides, air services was most crucial and this related to Trinidad and Tobago.

He said that the two other major issues — the revitalisation of the Caribbean Multi-lateral Clearing Facility and the question of trading activity between both markets — were of equal concern to both countries.

If Trinidad had markets which were of interest to Barbadian manufacturers, he said, it had to be granted that Barbados had markets which were to be targeted by Trinidad manufacturers. He added that in comparison with the markets Barbadian manufacturers may have lost in Trinidad, those were compensated for elsewhere.

Tull also protested vehemently the perception that Barbadian government officials were not prepared to negotiate

in good faith with their counterparts in Port of Spain.

"I would not be participating in any discussions if I felt that I was not doing so with goodwill," Tull said, adding that while this may be a view held by citizens in Trinidad and Tobago, he did not think government officials believed that.

"It is simply that we feel that as the two major partners in the region, we must be seen to be working together," Tull said.

He said Barbados maintained its oft-stated support for Trinidad and Tobago's state-owned airline BWIA, but that Trinidad should commit the airline to take over all the routes now being operated by Barbados' Caribbean Airways.

"We do not have an oil industry as you do, and tourism is our main industry," Tull said, "and we have to bring people in here from various parts of the world." He said that BWIA was willing to accept what it saw as the lucrative routes now being operated by CA, but not those which it viewed as non-profitable.

"We are prepared to shut down our airline right now," if BWIA will take up all the routes," he said.

Tull, a 44-year-old lawyer who is among the front rank of ministers in Barbados in the running for the deputy prime ministership of the country, said, however, that his government was heartened by the "positive signs" towards a return to normalcy in bilateral relations with Port of Spain, as a result of the death last week of Barbados Prime Minister Tom Adams.

INTER-AMERICAN AFFAIRS

GRENADA, TRINIDAD NEAR SOLUTION TO VISA DISPUTE

Port-of-Spain SUNDAY GUARDIAN in English 24 Mar 85 p 1

[Text] ST. GEORGE'S, Sat., (CANA) — Grenada and Trinidad and Tobago have moved closer to agreement on the removal of the visa requirement imposed 17 months ago for Port-of-Spain bound Grenada travellers, Prime Minister Herbert Blaize has announced here.

...."I have been assured by the Prime Minister of Trinidad and Tobago (George Chambers) that he has already set up an investigation team to determine what could be done to remove the restriction, and I have agreed to give him every support in that investigation," Blaize said on radio last night.

Trinidad and Tobago announced the visa requirement in the wake of the bloody violence that accompanied the military overthrow of the Maurice Bishop Government here in October 1983, and the subsequent US-led invasion.

Blaize said he had held talks on the issue with Chambers last weekend in Barbados. (Both Caricom leaders were in Bridgetown for the state funeral of the late Barbados Prime Minister Tom Adams).

The Grenada leader said he discussed with Chambers the background to the visa restriction and the security concerns of Port-of-Spain at the time.

Blaize said Trinidad took the action out of fears that leftist Grenadian elements might flee their homeland in large numbers in the wake of the political violence and take up residence in Trinidad and Tobago.

The Grenada leader said there was an agreement with Chambers that machinery could be setup for resolving the issue which has created some friction between the two countries.

Blaize said he was hopeful the situation could be resolved soon.

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INTER-AMERICAN AFFAIRS

TRINIDAD, VENEZUELA GRAPPLE WITH FISHING RIGHTS ISSUE

Seizure of Trinidad Boats

Port-of-Spain TRINIDAD GUARDIAN in English 26 Mar 85 p 1

[Article by Mikey Mahabir]

[Text]

By MIKEY MAHABIR

SAN FERNANDO:

CEDROS and Icacos fishermen ran into trouble with Venezuelan authorities in the Gulf of Paria yesterday morning. Two boats each with two men, were seized and taken to the mainland.

A spokesman for the fishermen said the boats and men were picked up in Trinidad waters in the Cedros area while doing night fishing, commonly called drift net fishing.

When the Venezuelans surrounded the two boats, other fishermen in the area raced back to Cedros beach. The spokesman said that unlike on previous occasions, no warning shots were fired by the Venezuelans.

Some hours later, Mr. Cyril Rogers, parliamentary representative for Point Fortin, went to Cedros for a report on the incident.

Mr. Rogers said afterwards he was doing everything possible to assist the

fishermen with their problems. He said he had already contacted the Fisheries Division and made arrangements for Henry James, of Icacos, owner of one of the seized boats, to be in Port-of-Spain today to obtain the necessary papers for him to travel to Venezuela to negotiate release of his boat, the "Small Sam."

The other boat owner, Jagger Jaggernaut, of Cedros, was not immediately available.

Two weeks ago Mr. Rogers and officials from the Ministry of External Affairs and the Fisheries Division were in Icacos and, according to Mr. Rogers, "we actually saw a Guardia Nacional patrol gunboat in Trinidad waters."

Mr. Rogers said they were satisfied beyond doubt that the Venezuelan gunboat was in Trinidad waters. He said he and the officials had gone to Icacos to discuss the continued "harassment" by Venezuelans of the Trinidad fishermen.

### Government Approaches

Port-of-Spain TRINIDAD GUARDIAN in English 27 Mar 85 p 1

[Text]

THE MINISTER of External Affairs, Mr. Errol Mahabir, and the Permanent Secretary, Mr. Christopher R. Thomas, met yesterday with the Ambassador of Venezuela Mrs. Maria Clemencia Lopez-Jimenez, to discuss recent reports of incidents involving Trinidad and Tobago fishermen and Venezuelan Coastal Authorities.

As a result of the talks, it has been agreed that discussions on the renewal of the Fishing Agreement between both countries will resume in early April, the Ministry of External Affairs announced last night.

The Fishing Agreement between Trinidad and Tobago and Venezuela dates back to December 1977, and was renewed at regular intervals until May, 1984.

### Trinidad-Tobago Aims

Port-of-Spain TRINIDAD GUARDIAN in English 28 Mar 85 p 6

[Article by Mikey Mahabir]

[Text] San Fernando--The Cedros Fishing Cooperative Society yesterday welcomed the move to resume discussions aimed at renewing the fishing agreement between the Government of Trinidad and Tobago and Venezuela.

The cooperative is headed by Mr Cyril Rogers, MP for Point Fortin.

The last agreement expired last May and since then, discussions were held both in Caracas and Trinidad concerning renewal but the parties reached a deadlock and further meetings were suspended.

According to a spokesman for the Cedros Cooperative, which represents the 1,000-plus fishermen in the deep South, the association believes that the new minister of external affairs, Mr Errol Mahabir, will be able to break the deadlock and arrive at a revised agreement, thus allowing the fishermen, particularly those from Trinidad, to operate unmolested in the Gulf of Paria.

The stalemate in the discussions last year resulted mainly from a dissatisfaction by members of the Cedros Fishing Cooperative.

It was learnt that the Cedros and Icacos fishermen believed that the demands made by Venezuela were "far from equitable." The proposals by the Venezuelans would give that country more benefits than those to be given to Trinidad, sources said.

Discussions were held by officers of the Fisheries Division and Ministry of External Affairs with the Venezuelan delegation. According to Mr Rogers, the Cedros cooperative was always consulted like other fishing bodies in the country, during which they gave their views on the matter.

A check revealed that the Venezuelans do not want fibre glass boats to be used. Instead they want boats with wooden hulls with 40 h.p., each boat must not carry more 100 pounds of shrimps, limitation of the fishing season and a reduction of the fishing beds in Venezuelan waters.

The Venezuelans are also calling for more fishing permits for their nationals and more fishing grounds in Trinidad waters, it was learnt.

#### BENEFICIAL

However, an official from the Cedros co-operative said that they hope both sides will be tolerant and arrive at an amicable agreement, suitable to both countries and beneficial to the fishermen in particular.

It is understood that the meeting with the Minister of External Affairs and Permanent Secretary, Mr. Christopher Thomas, with the Venezuelan Ambassador, Mrs. Maria Clemencia Lopez-Jimmenez held on Tuesday, was a follow-up to talks held last on March 9.

This was between Mr. Mervyn La Croix of the Fisheries Division and Mr. Arthur Gray of the External Ministry, and members of the Cedros Fishing Co-operative.

It was learnt that Mr. Thomas has since submitted a report of the meeting, outlining the views of the fishermen, to the ministry.

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22 April 1985

## INTER-AMERICAN AFFAIRS

## BRIEFS

UK AID FOR COAST GUARDS--BASSETERRE, Wed., (AP): PLANNING will get underway next week for construction of coast guard shore facilities here, under a British Government-financed programme for six Eastern Caribbean States. The \$1 million (US) project will provide coast guard facilities in Antigua-Barbuda, Dominica, Grenada, St. Kitts-Nevis, Saint Lucia and St. Vincent and The Grenadines, members of a regional security system. The Government said British consultants, H.E. Howard and John Berny, would arrive on March 13 to discuss the project. They are to be accompanied by Cdr. David Ford, naval adviser at the British High Commission in Barbados, and Brian Jackson, British development engineering adviser. [Text] [Port-of-Spain TRINIDAD GUARDIAN in English 7 Mar 85 p 5]

CARIBBEAN TV EXCHANGE--Port of Spain, 26 Mar--Trinidad and Tobago External Telecommunications Company Limited (Textel) is to pioneer an exchange of live television programmes initially involving Barbados and Jamaica, Public Utilities Minister Dr Cuthbert Joseph said here. Speaking at Textel's long service awards ceremony, Joseph said that he had been informed that a regular Caribbean exchange of live night time news would soon be introduced by Trinidad and Tobago Television (TTT). He said that the programmes exchanged would be of cultural, topical, and sporting interests. Needless to say, said the minister, this innovation will greatly enhance the common identity of the Caribbean people and will also contribute to the economic and social cohesion of the region. Last week, TTT's programmes coordinator, Winston Sahadeo, said that his station plans to offer live coverage of the so-called Caribbean King of Kings calypso contest to other stations in the region. The show's finals are on 4 May. [Text] [Bridgetown CANA in English 2149 GMT 26 May 85]

QUEEN'S VISIT--It has been officially announced that Britain's Queen Elizabeth II and the Duke of Edinburgh will make stops in Grenada, Dominica, St Lucia, Barbados, and Trinidad and Tobago during a cruise through the Caribbean after the Queen opens the Commonwealth Heads of Government Conference in the Bahamas in October. [Summary] [Bridgetown CANA in English 1740 GMT 28 Mar 85]

CSO: 3298/523

ARGENTINA

POLITICIANS REACT TO NEW ECONOMIC MEASURES

PY311948 Buenos Aires BUENOS AIRES HERALD in English 31 Mar 85 p 2

[Excerpts] (NA-DYN)--The government's tax and financial reform measures announced on Friday came under heavy fire yesterday from opposition party politicians but received both solid and lukewarm support, respectively, from Radical Deputy Jesus Rodriguez and Peronist economist Eduardo Setti.

Movement for Integration and Development (MID) Vice-chairman Rogelio Frigerio said announcing the measures "is the same as having ended the history of Argentina's productive base."

He added the measures--announced by the government as ways of increasing state revenues and channeling credit into legal financial markets--are just "the first of the storms to be unleashed following the non-compliance of the guidelines reached with the International Monetary Fund (IMF)."

Peronist Deputy Diego Guelar warned that the tax modifications, aimed at pumping more funds into state coffers, "will worsen the recession because the idea is to increase (state) revenues through more tax pressure."

"The 'reform' is not a reform," said Guelar, a member of the House budget and finance committee, because "it lacks important measures like suspending the capital tax or implementing the unimproved land tax."

The tax measures, he added, aim to control money in circulation but will only "generate a black market given the magnitude of the tax pressure" implied.

Intransigent Party leader Oscar Alende yesterday said the package--to be completed next week when President Raul Alfonsin is expected to announce more anti-inflationary measures--"makes up the financial adjustment ordered by the IMF." He added that each party should carefully study the reform measures when they are sent to Congress for approval.

But support for the measures was offered by Rodriguez, chairman of the House budget and finance committee, and Peronist economist Eduardo Setti.

The measures represent "the first step towards consolidating a productive economy and directly attacking the shady speculation of those who abuse the country," Rodriguez said.

He denied the tax reform would put more pressure on business, arguing that the measures represent "only a reorganization of the tax system" and not "additional" taxes.

Rodriguez added that "the age of privilege is over because from now on evaders will be prosecuted by the law."

Setti offered partial support for the measures, saying he "basically agreed" with the reform despite the technical flaws evident. "The only problem I see is that they will take effect as the recession worsens and will evidently have a negative economic impact."

CSO: 3300/26



ARGENTINA

UNIONS STRIKE PROTESTING GOVERNMENT POLICIES

PY030301 Buenos Aires BUENOS AIRES HERALD in English 2 Apr 85 p 11

[Text] (NA-DYN)--Labour Minister Hugo Barrionuevo could offer state-sector workers little comfort yesterday in terms of the budgetary difficulties involved in paying them a rise equivalent to 90 percent of the previous month's inflation but held out the carrot that free collective wage bargaining could be restored this year.

In other major labour developments, delays and cancellations continued to be the order of the day on the nation's railways, particularly the Mitre, Roca, and Sarmiento lines; the CGT blasted last Friday's fuel price and transport fare hikes as a "destabilizing coup"; and teachers confirmed the strike called for today.

Meanwhile, Osvaldo Borda, one of the four CGT secretaries-general, said that the labour grouping now had "its back against the wall" after last Friday's hikes and warned that the CGT would "mobilize" the workers if it backtracked on its 90-percent pledge. He also accused the present government of following the policies of the previous military regime with regard to social welfare funds.

Another high-ranking labour leader, Victor de Genaro of the ATE state workers union, made more direct threats of a general strike by more than one million public employees if the government did not remove their "Kelper" status and grant them parity with private-sector workers.

Barrionuevo, who was at Ezeiza airport to greet International Labour Organization (ILO) Assistant Director-General Julio Galer, said the government would decide the salary issue this week. The labour minister also met with railway union leaders, who afterwards raised slight hopes of a settlement before Easter. Barrionuevo was yesterday accused by maverick unionist Blas Alari of having allowed his "personal friendship" with Deputy Fernando Donaires [Justicialist-Buenos Aires] to sway him into approving "fraudulent maneuvers" in the paper workers' union of Alari and Donaires.

Education Undersecretary Alfredo Bravo regretted that the teachers could not have waited a few more days to hear the government's latest offer before

striking. He pointed out that the economy minister was new to the job while the president had been out of the country to explain the lack of a concrete offer to the teachers.

Teachers in San Luis and Tucuman never started classes this year. SOEME, the union of educational and youth workers, will be striking alongside the UDA and CTERA teachers' unions. Further strikes have been called for 10-11 April and 24-26 April in a bid for a basic salary of \$a68,000 as well as the improvement of school meal subsidies and other working conditions.

In other labour news, pensioners were threatened with delayed retirement pay as the civil servants in charge of issuing their pensions warned of strike action. Gas workers are to strike today to press demands for a \$a25,000 rise, racetrack ticket-office clerks walked off their jobs yesterday, and insurance workers called a state of alert. In Formosa virtually the entire 6,000-strong labour force of the local building industry has been fired or laid off.

Finally, Peronist Deputy Hector Basualdo testified in the case filed by former power workers' union leader Juan Jose Taccone against SEGBA, accusing them of involvement in the 1976 disappearance of union leader Oscar Smith. And some 500 Foreign Ministry employees are to elect their union authorities today for the first time in 10 years.

CSO: 3300/26

ARGENTINA

POLL SHOWS 61.4 PERCENT OF MILITARY SUPPORT COUP

PY022142 Madrid EFE in Spanish 1105 GMT 2 Apr 85

[Text] Buenos Aires, 2 Apr (EFE)--According to a poll published today by the weekly LIBRE, 61.4 percent of Argentine military officers would support a coup d'etat if the constitutional government strayed from the path of national guidelines and turned toward the left. Moreover, 27.3 would overthrow the constitutional authorities if the government did not meet the minimum needs of the people.

The weekly LIBRE notes that the poll was conducted by the Chase Manhattan Trust 1 month before President Raul Alfonsin visited the United States. The poll canvassed 1,500 Argentine Armed Forces officers, 34 percent of whom are on active duty while 66 percent are retired.

According to the poll, 83.1 percent of the military officers would be against a president that requested aid from the USSR, while 58.4 percent would accept U.S. intervention under certain conditions if Marxism took over power in Argentina. In this regard, 66.8 percent would also accept a similar intervention in Uruguay if there were a turn to the left in that country.

It was noted that 43 percent sympathized with some political party, and that of these, 55.4 percent sympathized with Peronism, whose late leader, General Juan Domingo Peron, is one of the personalities worshiped most by the members of the Armed Forces: 30.3 percent admire Peron, 28.8 percent admire Pope John Paul II, and 6.2 percent admire the late Spanish General Francisco Franco.

The report adds that 76 percent expressed support for a president that favors cooperation with the United States in Latin American issues, while only 14.5 percent believed that it is the proper time to improve relations with countries such as Nicaragua, Cuba, and the PRC.

Moreover, 79.4 percent said that they would oppose a president who promoted the expropriation of private farm land for redistribution among those peasants who do not have any land.

In this regard, 93 percent believed that inequality is a natural fact that cannot be changed even by resorting to measures aimed at improving both the economic and cultural levels of the working class.

Regarding the possibility of a war with bordering countries, 38.7 percent noted that this is a remote possibility. On the other hand, 53.7 percent believed that there is a high possibility that there may be a domestic confrontation.

Only 21.7 percent of those military officers who were polled expressed the belief that the citizens' vote is the main channel to decide how things should be done in Argentina while 63 percent believed a few powerful leaders would do more good for the fatherland than all the laws and discussions.

CSO: 3348/553

ARGENTINA

ECONOMY MINISTRY TO IMPOSE MEASURES

PY040334 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0140 GMT 4 Apr 85

[Text] Buenos Aires, 3 Apr (NA)--The following are some of the complementary measures for an economic adjustment that are to be announced by the government: A ceiling of 75 percent is placed on budgeted expenditures that have been authorized up to 30 April; a suspension in the purchase of assets, equipment, and vehicles and in expenditures for publicity and contracting the services of third parties for advisory purposes; trips abroad will also be limited and there will also be a 20-percent cut in overtime pay and in the salaries paid to temporary personnel.

These measures presumably will be announced on 6 April, because the announcement that was to have been made today was suddenly suspended by the Economy Ministry, presumably for the purpose of obtaining a wider circulation in the Sunday morning newspapers, according to Economy Ministry sources.

The austerity measures complement the series of financial measures that were released today by the Central Bank in what is considered to be a step in reforming the system through the abrogation of the monetary regulation account and the recreation of conditions for greater liquidity in the credit and loan sector through a reduction of the minimum bank liquidity ratio.

The drafting of the Economy Ministry's communique containing the new austerity measures was concluded this afternoon at 1400 [1700 GMT] and by evening no measure had been left out, according to Economy Ministry sources, who based their assertion on the fact that Minister Juan Sourrouille would presumably travel tonight to the Atlantic resort of Pinamar to rest over the Easter weekend.

According to a draft of the communique that NOTICIAS ARGENTINAS was able to obtain, austerity is established through Resolution 141 issued by the Economy Ministry. It limits the extension of the current budget credits until this year's budget is approved.

In this respect, it is indicated that the various jurisdictions of the central administration can only commit up to 50 percent of their authorized expenditures between 1 January and 31 March and up to 75 percent of their authorized expenditures between 1 January and 30 April.

Decree 544 extends the expiry date of Decree 447, which restricts the replacement of open jobs to 50 percent of the vacancies that open up and suspends the purchase of movable goods, equipment, cars and airplanes; it also restricts expenditures for publicity, the renting buildings and contracting the services of third parties for advisory purposes; and it limits trips abroad and there will also be a 20-percent cut in overtime pay and in salaries paid to temporary personnel.

Decree 544 determines that it is necessary to maintain Article 477 in force until studies to establish a policy to hold down public expenditures for 1985 are concluded.

The restrictions of this decree apply to the central administration, the decentralized state enterprises, "whatever their legal nature, the special accounts, the official financial entities, and other state enterprises."

The draft communique emphasizes that the assigned 50 percent is "above the approximate prices at mid-1984 (that is, the figures in the 1984 budget), which represents a significant restriction owing to the evolution of inflation from that time until February 1985."

Resolution 141 of the Economy Ministry establishes that "commitments surpassing established limits can be contracted when they involve services, work, or supplies which, due to their nature, are usually contracted during the year," provided that payments do not surpass the established percentages for that period.

It is also established that government organs that, in view of their "unpostponable service requirements, need to increase the percentage of execution of their budgeted funds, will have to justify their requests before the Finance Secretariat with a certificate extended by the Court of Audit of the Nation as to how much of the respective budgets has been used so far."

Moreover, the Central Bank has substantially reduced the minimum legal reserves on time deposits and savings, deposits in order to allow "the more adequate financing of economic activities" and to cushion "the expansionary effects of the Monetary Regulation Account."

The legal reserves on time deposits and savings deposits were reduced from the currently required 84 percent to levels varying from 4.5 percent to 14 percent, establishing a system of differential legal reserves according to the type of deposits and financial institutions.

The measures that have just been adopted are aimed at eliminating the Monetary Regulation Account since, as of 1 April 1985, the Central Bank will cease to subsidize financial institutions for maintaining higher legal reserves on time deposits and savings deposits and it will no longer collect charges for the use of resources resulting from demand deposits.



ARGENTINA

OIL SECTOR BUOYED BY FOREIGN INVESTMENT PROSPECTS

Buenos Aires LA NACION in Spanish 27 Mar 85 pp 1, 15

[Text] The appeal made by the president of the nation, Dr Raul Alfonsin, to potential United States investors has aroused favorable expectations among both sectors directly linked with the oil industry and those anticipating a heightening of activity indirectly (based on incentives for oil exploration and development), such as the metal industry. Meanwhile, certain unknown factors that remain unresolved will have to be cleared up, with the success of the initiative hinging ultimately on the promptness with which this is done.

The Method of Payment

President Alfonsin remarked in Houston that payment to the contractors with products would be guaranteed, upon reading the message prepared by the minister of public works and services, the energy secretary and the authorities from Government Oil Deposits (YPF). This system, which is of interest because it dissociates the recovery of the investments from the domestic prices set by the national authorities, gave reason to believe that payment with crude oil might be possible. Nevertheless, Dr Conrado Storani emphasized that, "The payment to the oil companies will always be made in foreign currency, pesos or petroleum by-products, but never in crude."

Concerning this point, the local private circles noted that the value added in the crude oil refining products is slight, and that it should be realized that, if large additional oil reserves are discovered, this would prompt new investments in greater refining capacity which would be added to those made in exploration projects and oil development infrastructure.

The authorities in the energy field will have to decide which exploration areas they are willing to give up for operation by foreign companies. Obviously, the potential investor is interested in those offering the greatest chances for success in the exploration work; and, in this connection, bids relating to concrete areas have reportedly been submitted.

The Neuquen areas, southern Mendoza, southwestern Santa Cruz, the so-called Chaco-Parana area and even off-shore would, precisely, contain the greatest attractions for the investor.

## National Participation

The implementation of the oil program announced by Alfonsín will result in more activity for the local oil companies. It was stressed in private circles that they might ensure the rendering of services and participate directly in the investments, although the financial requirements impose a majority share on the part of the foreign investor.

Moreover, as it was indicated, this will provide indirect benefits to other industrial sectors. In this regard, one oil man noted that it would be necessary to stipulate the degree to which importing parts from abroad will be allowed for the foreign investors.

Risk Contract Law 21,778, precisely, allows the oil operators imports which, in the past, were made by local business owners, based on the "Buy Argentine" and "Contract Native" systems.

2909

CSO: 3348/533

ARGENTINA

NEW BANKING, TAX MEASURES PROPOSALS REPORTED

PY311919 Buenos Aires BUENOS AIRES HERALD in English 31 Mar 85 p 2

[Unattributed report on new Argentine banking and tax measures announced 29 March headline: "Breakdown of New Measures"--no introductory paragraph given]

[Text] Banking measures:

A new system of loans and deposits at free interest rates: the deposit must extend for at least 7 days and will be used for loans to the productive sector.

The prohibition after April of loan renewal operations (operaciones de paso) using public bonds (i.e. Bonex) and third party transactions (acceptances), a move aimed at reducing the role of middlemen and replacing the use of public bonds with free interest markets and more limited state guarantees (see below).

Changes in credit scales although the tripartite division of credit into regulated, index-linked and non-regulated schemes will be maintained.

A seven-million-peso limit on the state guarantee of bank deposits at regulated interest rates with only a one-percent guarantee on amounts in excess of this sum.

A new approach to credit to companies in the financial sector, generally reducing such loans especially by a tighter definition of the legally responsible persons in these companies.

New regulations governing financial operations tied to cost-of-living schemes.

A two-point increase in interest rates, i.e. 22 percent for savers and 24 percent for borrowers.

Tax measures:

Elimination of bank secrecy and share anonymity.

A flat rate of 17 percent for value-added tax (VAT) to reach 3 percent of the Gross Domestic Product (GDP) with a VAT exemption for the building industry, changes in capital gains taxation, inheritance tax, taxation on gifts, stamp tax, etc.

Income tax reforms, including: a) treating dividends as part of an individual person's income after 27.5 percent rather than as part of corporate taxation, as well as charging 22.5 percent in cases where the dividends' owner is not properly identified; b) a redefinition of tax floors, family deductions, etc.; c) a tax on all interest stemming from operations with adjustable capital and foreign currency as well as higher taxation on money going to individuals abroad; d) a limit on tax deductions for interest paid; e) assigning to individuals the taxation on the proceeds of sales of limited partnerships. It is hoped that income tax will double 1984 levels in the near future especially since direct taxation fell from 17.2 to 12.8 percent of government revenue between 1983 and 1984 while indirect taxation grew from 32.8 percent to 40.2.

Various measures against tax evasion.

Corporate taxation is to be gradually reduced in order to encourage investment, falling 1.5 percent in 1985, 1.2 percent in 1986, one percent in 1987 and 0.75 percent annually thereafter.

New methods of assessing property, shares, cars, luxury items, etc. for tax purposes.

CSO: 3300/26

ARGENTINA

DETAILS ON SUPREME COURT CHIEF'S RESIGNATION

PY020241 Buenos Aires BUENOS AIRES HERALD in English 2 Apr 85 p 1

[Text] (NA-DYN)--Supreme Court Chief Justice Genaro Carrio presented his resignation to President Raul Alfonsin last Friday, according to highly-reliable sources, while Education and Justice Minister Carlos Alconada Aramburu denied insistent press reports that he would replace the retiring magistrate. The sources said Carrio notified the other members of the Supreme Court yesterday, but his announcement would first be made known officially today.

Carrio, who returned from a 90-day leave of absence--much of which he spent undergoing medical examinations in the United States--is resigning for health reasons. Sources said, in addition to his high-blood pressure, the chief justice has collateral complications and doctors advised him to ease up. They also mention the possibility that Carrio could be given a 2-year statutory leave, since other versions claim Supreme Court magistrates Jose Severo Caballero, Carlos Fayt, Enrique Petrachi and Augusto Beluscio do not want the chief justice to resign.

Meanwhile, Aramburu finally came out publicly to squelch rumours that he was being considered to replace Carrio. The same story says he, in turn, would be replaced by Buenos Aires University rector Francisco Delich.

According to the Constitution, the Executive Branch makes appointments to the Supreme Court, but the magistrates choose the chief justice from among their members.

Another name being mentioned in court circles is current Supreme Court Secretary Leopoldo Schiffrin. Other Education and Justice Ministry changes include Justice Undersecretary Carlos Odriozola's resignation and Jose Osvaldo Casas replacing Supreme Court Federal Attorney Jose Augusto Lapiere, who resigned.

Peronist University Youth (JUP), for their part, called Aramburu a "faithful representative of oligarchial continuism," while in Parana the minister said students "will not sit on boards selecting university professors" in answer to demands for a "voice and vote" in choosing who will fill university vacancies.

CSO: 3300/27

ARGENTINA

FARM STRIKE SURPASSED 'EXPECTATIONS'

PY291716 Buenos Aires BUENOS AIRES HERALD in English 28 Mar 85 p 11

[Text] (NA-DYN)--The Chairman of the Argentine Rural Confederation (CRA) said more farmers than expected were backing the 48-hour work stoppage started yesterday to demand the government change its agriculture policy.

Raul Romero Feris told reporters the stoppage, backed as well by the Rural Society, was 95 percent effective in the grain trading sector and 100 percent effective in the buying and selling of cattle.

Romero Feris claimed only 280 head of cattle entered Liniers meat market yesterday, while all activity was stopped at the Rosario market.

But the farmers' protest was not being supported by the Argentine Agrarian Federation (FAA) or CONINAGRO, the agricultural co-operative confederation.

Romero Feris said the effectiveness of the work stoppage "surpassed expectations" since co-operatives and farmers who did not formally back the protest nonetheless halted farm work.

The CRA and the Rural Society are demanding, among other things, that the government lift all agriculture export duties, set a more favourable exchange rate and offer better credit terms to farmers.

Meanwhile, agriculture secretariat sources reported that Secretary Lucio Reca is studying the possibility of announcing stable prices for fine grains during the 1985/1986 harvest and opening up indexed credit lines.

FAA Chairman Humberto Volando yesterday criticized the protest and warned against the "a surprise attack by the autocracy," in reference to the possibility of a new military coup backed by certain farmers' groups.

Roving Ambassador Hipolito Solari Yrigoyen likewise condemned the work stoppage, calling the protest "illegitimate" and "only worsening tensions and making it less possible to reach agreements" related to the agriculture issue.

The Justicialist Party's agricultural committee joined the critics too, arguing that the methods used to carry out the protest "show political ignorance about the truly worrisome social situation."



ARGENTINA

OPINIONS DIFFER ON NEW GOVERNMENT OIL POLICY

PY030258 Buenos Aires BUENOS AIRES HERALD in English 2 Apr 85 p 11

[Text] (NA-DYN)--While ESSO Argentina SA President Pedro Lela said on Sunday private oil companies were "very optimistic" over President Raul Alfonsin's recent announcements in the United States, parties on the left of the political spectrum criticized the administration's new oil policy.

Lela said the president had already outlined some of his ideas on 13 December last year (Petroleum Day) and there were merely ways of putting the Radical administration's ideas into practice, but did not represent any change in policy.

He said the plan would "benefit the contracting company which can both earn in dollars and possibly receive petroleum byproducts as compensation," but added he doubted that would include crude oil. For the country, Lela said the policy would mean "greater technology, capital and resources inputs" by private companies.

Intransigent Party (PI) leader Oscar Alende said the government's announced plan is not linked to any national development plan, a fundamental difference as compared to former President Arturo Frondizi's programme, but was merely meant to "pay off the foreign debt." "It's time," Alende said, "for the country to become the owners of its own wealth" and he warned about the need to be "extremely careful with powerful companies like Standard Oil and AMOCO which earn \$5 billion yearly, the equivalent of almost all our foreign debt interests."

Alende said at this moment Argentina needs to adopt policies similar to those implemented by Venezuela, Mexico and Iran at specific moments in their histories, i.e., nationalize oil.

Popular Socialist Party (PSP) leader Guillermo Estevez Boero also lambasted the government's oil policy as detrimental to the country's economy and called for the nationalization of banks. "The 'financial fatherland' is like a tick, sucking the wealth from the land," he said. "Instead of cutting off the hemorrhage, the government goes abroad looking for new ticks.

Estevez Boero called oil capital the "new (blood-sucking) ticks."

CSO: 3300/27

ARGENTINA

BRIEFS

BRITISH PROPERTIES PROBE DEMANDED--Viedma, 3 Apr (TELAM)--Justicialist Deputy Dante Scatena, from Rio Negro Province, has presented a draft bill requesting that the legitimacy of the property and assets of British enterprises in the province be investigated. The draft, issued on 2 April, proposes the creation of a congressional commission with legislative and investigative powers and made up of seven deputies: four belonging to the majority Radical bloc and three from the minority Justicialist bloc. The commission will be charged with deciding whether to expropriate the assets for public use, of decreeing interventions or judicial actions, or of establishing administrative restrictions on the property and profits. The commission will collect information in order to establish the strategic role of the properties regarding defense, economy, international relations, and trade. The draft was made public during a press conference that was attended to by Scatena; Mario Franco, president of the Rio Negro Justicialist Party; and Julio Fabiani, president of the Peronist legislative bloc. [Text] [Buenos Aires TELAM in Spanish 0328 GMT 3 Apr 85]

SALE OF STATE ENTERPRISES--(NA-DYN)--Planning Secretary Bernardo Grinspun has prepared a report on the sale of state-owned enterprises to the private sector and will submit it to President Raul Alfonsin when he returns from Mexico, Grinspun told reporters yesterday after a meeting with acting President Victor Martinez. At the end of Alfonsin's term of office it "should be possible to count the number of state-owned enterprises on the fingers of one hand," Grinspun said. "The (only) activities which must remain in state hands are those related to national security and defence or those performing public services of a monopolistic nature," the former economy minister added. He denied that the planning secretariat had any direct role in drafting the government's anti-inflation plan, ascribing the chief responsibility to the economy minister. [Text] [PY291719 Buenos Aires BUENOS AIRES HERALD in English 28 Mar 85 p 11]

GROSS DOMESTIC PRODUCT GREW--(NA)--The Gross Domestic Product (GDP) grew 2 percent in 1984, the Central Bank reported late Monday night, down from the 5 percent originally estimated for the year during Bernardo Grinspun's term as economy minister. The GDP grew 3.3 percent in the first quarter of 1984, but fell to just 1.7 percent growth in October-December of last year. Gross domestic investment in 1984 fell 18.2 percent below 1983 levels, the Bank added. Investment fell to just 11.9 percent of total GDP, far below the traditional 23 percent average. [Text] [Buenos Aires BUENOS AIRES HERALD in English 20 Mar 85 p 3]

CSO: 3300/26

BAHAMAS

# PARLIAMENTARY DEBATE ON DRUGS COMMISSION REPORT CONTINUES

## Call for Extradition Treaty

Nassau THE TRIBUNE in English 1 Mar 85 pp 1, 4

[Article by Anthony Forbes]

[Text]

MINISTER of Works and Utilities Darrell Rolle Thursday called for an extradition treaty for drug traffickers between the Bahamas and the United States declaring that there is no more time for arguments, because both sides of the Gulf Stream are affected by drug trafficking.

In his contribution to the month-old debate on the Commission of Inquiry Report, Mr Rolle told the House of Assembly that such a treaty would ensure that if a drug trafficker is not in jail in the Bahamas, he will be in prison in the US.

Mr Rolle, who once headed the former Ministry of Home Affairs - now the Ministry of National Security - which had responsibility for the Police Force, said that the Security Intelligence Branch officers trained in domestic criminal activities, were no match for the calibre of intelligence drug traffickers had in ex-Viet Nam pilots and intelligence gathering equipment.

He said that police intelligence operated under a system of informants but the Bahamian Police Force did not have any.

He said that a decision was made to recruit university graduates and to establish a proper forensic science lab for the force. He said that he was also personally instrumental in getting SIB chief, Supt Bernard

Bonamy to study for a law degree at the University of the West Indies.

He said that attempts have been made through the Bahamas Telecommunications Corporation to upgrade the telecommunications in the country and noted that \$5 million is currently being spent on the southeastern islands to develop a communications system there.

He noted that the Commission observed that some efforts had been made to curtail drug trafficking but that greater efforts should have been made. The Commission also acknowledged that there was inadequate human and financial resources at the disposal of the police.

He said that he is certain that Government intends to address the problem to the limits of the nation's financial resources, but that there is a need for cooperation at the highest levels of the law enforcement agencies in the Bahamas and the US.

Mr Rolle said there is no more time for arguments about the drugs being destined for the US or that it passes through the Bahamas because both sides of the Gulf Stream are affected by the problem.

"The price is not only that you win or lose, but (there are) innocent young and not so young Bahamian and American lives which need to be saved," the Minister told the House.

He said there should be a treaty between the Bahamas and the United States on matters involving drug trafficking as well as an exchange of technical personnel between the two countries.

But the Minister said there should be safeguards that would respect the sovereignty of the Bahamas so that there could be no encroachment on Bahamian soil.

He said that an agency should also be formed to oversee the implementation of the solutions of the problem.

"I condemn drug trafficking without reservation," declared Mr Rolle.

Telling members that he believes it is the duty of the Bahamas sovereign parliament to discuss the relations between the US and the Bahamas in this regard, Mr Rolle noted that there has always been "close and friendly relations" between the US and the Bahamas.

He said he believes it is in the best interest of the Bahamas to try and maintain good relations with the United States, but that the quality of the relationship should not be dependent upon the comparative size and economic basis of the two countries.

He said there have been activities on Bahamian soil by agents of the US Federal Government as well as illegal acts on our territory by counties of the US.

He said that the Commission found that violations have occurred notwithstanding the long cooperation between agencies of the Bahamas and the US.

He said he knew of instances when persons wanted in the

United States are arrested in the Bahamas and the Immigration Department cancels the status of such persons.

Noting that there were many instances when cooperation between both countries led to arrests, the Minister said that approval was given for cameras to be installed at airports in the country to monitor what he referred to as "Viet Nam-graduated," drug smugglers.

He said there were occasions when the Minister of Foreign Affairs authorised over flights by US aircraft carrying drugs, which were apparently being flown by officials of the US law enforcement agencies.

He said that in the event of the planes having to land in the Bahamas and its crews placed under arrest, the Foreign Ministry would grant them immunity from prosecution on the grounds that they were authorised law enforcement officials of the US Federal Government.

He also said there were undercover operations in the Bahamas, two of which were known as Operation Grouper and Operation Haven, one dealing with drug trafficking and the other with the banking industry.

He said that he was not attributing such occurrences to the Federal Government of the US and pointed out that a great deal of independence is enjoyed by various agencies of the US Government.

He said that such incidents were not carried out by the US Government, whom, he said, are men of integrity who if they could have done something about it would have intercepted the operations.

#### Rolle on Police Operations

Nassau THE TRIBUNE in English 1 Mar 85 p 4

[Article by Anthony Forbes]

[Text]

FORMER Minister of Home Affairs Darrell Rolle told the House of Assembly Thursday that there is no Immigration Department record of how

international drug smuggler Carlos Joe Lehder, who once operated out of Norman's Cay, entered the country, but the police suspected that he arrived

in late 1978.

The Minister also revealed that a police raid he approved for Norman's Cay scheduled for March, 1979, had to be postponed to September, 1979, following a US Government request for a delay due to undercover activities at the cay by DEA agents.

He said Rolleville MP George Smith, former Minister of Agriculture, Fisheries and Local Government, never approached him formally or informally in connection with Norman's Cay and he was never consulted at any time while he was Minister of Home Affairs.

The disclosures by Mr Rolle, now Minister of Works, Utilities, Housing and National Insurance, came as he debated the Commission of Inquiry Report which found that a number of junior officers in the Police and Immigration Departments had participated in improper activities.

The Minister, MP for Mangrove Cay (Central Andros), told members of parliament that the public service must be regarded as a bastion for the management of public affairs of the country. He said it will rise above the clouds hanging over it as a result of the Commission of Inquiry.

He said he has the highest respect for former Commissioner of Police Salathiel Thompson and for present Commissioner Gerald Bartlett, but noted that there have been casualties in the service as a result of drug trafficking.

The Minister said that members must be careful in approaching the matter that the entire public service is not "tarred" with the same brush, and called for a non-political approach, fairness and honesty.

He said that among the 700 islands and cays of the Bahamas, three - the Darby Islands and Norman's Cay in the Exumas and Gorda Cay in Abaco - have figured prominently in the report of the Commission.

He said that for many years people have been encouraged to buy cays and build homes on them or develop cays as tourist resorts, but tragically today,

those cays and a number of other areas with airports, are now landing ground for drug traffickers.

He said that under the command of former Assistant Commissioner of Police Lawrence Major, the defunct Marine Division intercepted a number of poachers and drug traffickers and much knowledge was gained on the extent of drug trafficking in the Bahamas.

He said it was a standing policy that whenever information is received that drug trafficking is going on at a certain place, that location is raided by the police as soon as possible.

He said that once an area is suspect, it is entirely up to the Commissioner of Police when and how to carry out a raid.

According to Mr Rolle, former permanent secretary to the Ministry of Home Affairs, Arthur Barnett, who does not share his political views, will confirm that at no time did he ever give the Commissioner of Police a directive on the time to carry out a raid and the structure of the police raiding forces.

He said that in 1977, a number of operations were carried out off Andros, and in 1973 and 1974, the south and west coasts of Andros, the Exuma Cays, Crooked Island and the western Bahamas were covered by the Marine Division.

In 1975-76, he said, Bimini, Grand Bahama, Chub Cay in the Berry islands and the entire northern Bahamas were raided.

He said that in 1977, Abaco, Grand Bahama, Andros and Bimini were raided by various sections of the police force.

He said that in 1977 when all the cays and settlements in North Andros were raided, he was severely criticized by Mr J Henry Bostwick, then Leader of the Official Opposition Bahamian Democratic Party, which has since merged with the FNM.

He said that Mr Bostwick, now Leader of the FNM in the Senate, chastised him claiming that armed policemen knocked on every door, woke up people and acted like bandits.

"And the tenor of his speech was to condemn the drug raid,"



Mr Rolle told the House, adding that Mr Bostwick's speech in parliament came shortly after the 1977 general election.

He said that in 1978 there were complaints that something "irregular" was beginning to happen at Norman's Cay and that the police plane reported an unusual number of yachts at the cay.

He said that former Official Opposition Leader (of the defunct Social Democratic Party), Norman Solomon, also complained of being harassed on his attempts to land at Norman's Cay.

He said that there is no immigration record of how Lehder entered the country, but the police suspected he came in the latter part of 1978.

He said that once it appeared that there was a likelihood of a breach of the peace being committed at Norman's Cay, it was determined by the Commissioner of Police and approved by him that a raid was to take place.

He said the raid was scheduled for March, 1979, but the US Government requested a delay due to DEA undercover activities at the cay, of which Lehder became suspicious.

According to Mr Rolle, some of the persons who may have harassed Mr Solomon, former MP for St John's, may have been DEA agents, who after

being discovered by Lehder had to observe the cay from yachts off shore.

He said that Mr Solomon raised the matter in the House of Assembly but the Government did not debate it at that time because of the "delicate" security position, which would have endangered the police and DEA activities.

He said that the member for Rolleville, whom the Commission concluded had corruptly accepted drug money from drug smugglers, never approached him formally or informally in connection with Norman's Cay and was never consulted by him at that time.

He said that it was also found to be necessary to increase the police surveillance of the area from 24 hours to 100 hours a week to provide the intelligence information needed by the authorities.

He said that in 1976, it was proposed that helicopters be purchased from the Hughes Corporation in the US to help in the fight against drug trafficking, but the police force was advised that the helicopters were too expensive.

He said that another condition for the purchase was that the pilot and operation crew were to be Americans, which was inconsistent with the kind of security the police force was trying to provide, and which led to the formation of the Drug Squad.

#### Rolle on Commission Evidence

Nassau THE TRIBUNE in English 1 Mar 85 p 4

[Article by Anthony Forbes]

[Text]

MINISTER of Works Darrell Rolle told parliament yesterday he deeply regretted that the Commission of Inquiry was "frustrated" because so many United States federal law enforcement agents were not available to give evidence.

Mr Rolle hoped the democratic rights and practices of the United States would prevail to prevent such a situation recurring in the future.

In his debate on the Commission of Inquiry Report Mr Rolle told House of Assembly members that "a matter of deep regret is that the Commission was frustrated by the unavailability of a large number of United States federal agents."

He said in the interest of good government of the Bahamas the matter should have been thoroughly aired.

"The Commission was not able to deal with one of the most important of the terms of reference and was unable to render a full and complete report," Mr Rolle said, adding that it was not a fault of the Commission.

Declaring that "all of us" would have loved to have seen the beginning and the end of the matter, Mr Rolle told the House that he is at a loss why those witnesses were not made available to the Bahamian Commission.

He said that a responsibility of his as a member of a sovereign parliament is that he should not let that particular aspect of the Commission's report remain silent.

"It may be that there was very good reasons for not providing those witnesses," Mr Rolle said.

He said he does not know if that is so but hoped the democratic rights and practices of the United States would prevail to prevent "this sort of situation from recurring."

He said there is currently sitting in Miami, Florida, a US Commission on Organized Crime and hoped it would address "this matter."

Mr Rolle told the House he accepted the majority report of the Commission, which affected some of his friends and colleagues, but took exception to one of the matters relating to former Agriculture Minister George Smith, MP for Rolleville.

He said he has reservations about the minority report of the Rt Rev Drexel Gomez, Anglican Bishop of Barbados, which was a "personal reflection of the finances of the Prime Minister."

He said the Bishop never said the payments to the Prime Minister were drug-related and was merely "taking into consideration moral matters and in that respect, I don't believe that he was acting in bad faith."

He said the three commissioners were unanimous on the question of the terms of reference of the Commission.

He said the standard used by the Bishop in his minority

report was not the same standard of proof laid down by Commission President Sir James Smith at the outset of the hearings.

On the Commission's finding against the former Agriculture Minister, Mr Rolle said the Commission found that former Norman's Cay drug smuggler Ed Ward's testimony as it related to Everette Bannister and Rolleville MP George Smith, was credible and accepted it.

But he said there is little difference in the circumstances in the evidence given in respect of the alleged bribe of \$100,000 by Ward and the circumstances in regard to the testimony of Lamar Chester's alleged conversation with Morgan Cherry of Justice International.

He said that as regards "what we regard as primary as opposed to hearsay evidence," only three persons could have given evidence of the alleged occurrence of the bribe.

He said Mrs Ward could not have corroborated the fact that the matter occurred, only what her husband told her had allegedly occurred.

He said that in connection with Chester, the Commission said his conversation with Morgan Cherry required corroboration and found the evidence unreliable.

Noting that the rules of evidence requires corroboration to prove its veracity, Mr Rolle said the Commission quite rightly asked for corroboration in connection with the Chester matter.

He said that Chester's telling of the conversation with Cherry to his lawyer was not regarded by the Commission as corroboration.

Mr Rolle said it seemed that the Commission's conclusions against Mr Smith was not supported by the evidence.

"I do not believe the Honourable Member for Rolleville was on a house boat and I do not believe that the Honourable Member did what was alleged," Mr Rolle told the House.

Rolle Defense of Pindling

Nassau THE TRIBUNE in English 2 Mar 85 p 6

[Article by Athena Damianos]

[Text]

WORKS and Housing Minister Darrell said Thursday that evidence submitted to the Commission of Inquiry by the Leader of the Opposition "is the best defence as to why the Prime Minister ought not to resign."

Mr Rolle, who began his address to Parliament Wednesday evening, said that Opposition Leader Kendal Isaacs told the Commission that he didn't have any evidence that Prime Minister Lynden Pindling was involved in drug trafficking.

In spite of this, Mr Isaacs continues to tell his supporters that the Prime Minister is a rascal and ought to resign, Mr Rolle said. He pointed out that Mr Isaacs, a former Attorney General, gave evidence to the Commission under oath.

He said that Mr Isaacs told the Commission he would return to testify if he received any information that would be helpful to the Commission. He said Mr Isaacs never returned.

Mr Isaacs told the House that he returned to testify three or four times, but that "for some reason" Sir Lynden's American lawyer, F Lee Bailey, didn't see fit to call him again. He said that Commission Chief Counsel Robert Ellicott arranged for him to return to the Commission so that Mr Bailey could question him again.

Mr Rolle spent much of the morning reading from evidence of the Commission and referring to newspaper articles and public statements.

"You haven't dealt with the report yet!" Mr Isaacs observed just before the House broke for lunch. Mr Rolle still had the Floor this afternoon.

Mr Rolle said that the Government is a legitimate Government, elected by the people of the Bahamas.

"The Government has done no wrong and the Leader of the Opposition has (said he has)

done no wrong," he said.

"I never said that!" Mr Isaacs objected.

Mr Rolle said that no PLP lawyer has represented anyone involved with the commercial transshipment of drugs. According to court records, he said, the lawyers who were most prominent in representing serious drug offenders between 1975-1983 were Nigel Bowe, Arlington Butler, Henry Bostwick, Cecil Hilton, Langton Hilton, Godfrey Pinder and (Ortland) Bodie.

Mr Rolle said that the Chief Counsel to the Commission, Robert Ellicott, did not call all of the witnesses he ought to have. He felt this was unfair to the witnesses.

For instance, he said that evidence was given that lawyer Algernon Allen, a former acting magistrate, tried to arrange to have an American drug smuggler's Immigration status cleared through Immigration officer and PLP member I "Junior" Rolle.

He said that Mr Allen also replaced Chief Magistrate Emmanuel Osadebay in a controversial case concerning an American drug trafficker. He said that a document circulated by leader of the defunct SDP party, Norman Solomon, to his colleagues, said that Mr Allen "upped" the figure from \$25,000 to \$50,000.

According to Mr Rolle, the point he was trying to make was that Mr Allen was never given the opportunity to clear the air by giving evidence to the Commission.

He said that Mr Allen, as a former candidate for Governor's Harbour and a former Acting Magistrate, was eligible to testify before the Commission.

Mr Rolle also said that the law firm of Isaacs, Co and Company represented American drug trafficker Edward Ward

and, on Mr Isaacs's own admission, continued to represent Ward after he was arrested for drugs during a September, 1979 raid on Norman's Cay. Mr Rolle said the firm acted for Ward's company in attempting to buy a piece of property at Norman's Cay.

Mr Rolle also said that Mr Isaacs's firm represented a company owned by Colombian drug smuggler Carlos "Joe" Lehder.

Mr Isaacs strongly objected to what Mr Rolle said. Mr Isaacs said that his firm, unknown to him, formed a company for Ward sometime in July, 1979. He said that the company was turned over to another firm in November, 1979, on the firm's written instruction.

Mr Isaacs said his firm represented a trust company that represented a company owned by Lehder. He said he knew nothing about the transaction between his firm and Lehder at the time it took place.

Mr Rolle assured Mr Isaacs he was not suggesting that there was wrongdoing on the part of his firm. He felt that the firm turned the Ward business over to another client after it learned

who the drug trafficker was because he didn't want to be connected with Ward.

He said his point was that Mr Ellicott should have dealt with the matter so that any unfounded suspicions could be laid to rest.

He said that the relationship between the law firm of Dupuch & Turnquest and Robert Vesco should have also been inquired into.

Mr Rolle also said that a recent article published in The Tribune, quoting an eminent constitutional lawyer on the Westminster system of collective responsibility, is incorrect.

He wanted to know why the lawyer, if he is eminent, was afraid to be named.

He said that The Tribune, "in their vain and frustrated way," came out with a concept of collective responsibility unknown to British law.

Mr Rolle said that an individual is responsible for his behaviour. He said that collective responsibility only enters the picture when it is shown that Government accepts, condones, or otherwise agrees to the conduct of a Minister.

#### Call for PLP Resignations

Nassau THE TRIBUNE in English 11 Mar 85 pp 1, 7

[Article by Athena Damianos]

[Excerpts] THE DECISION to allow St Agnes MP Kendal Nottage--a Mafia "front man"--to represent Government Members in the House of Assembly debate was "an outrageous and contemptuous display of presumptuous hypocrisy," Montagu MP Orville Turnquest said today.

Mr Turnquest gave this opinion before he formally called, on behalf of the Opposition, for the resignation of four Members of Parliament, including Prime Minister Lynden Pindling. Sir Lynden was conspicuously absent this morning.

The opinion, which came on the seventh day of the debate on the Commission of inquiry report, drew strong protests from House leader and Minister of Tourism Clement Maynard.

Mr Turnquest said that of all the 31 Government Members in the House, it was decided that Mr Nottage, who the Commission of Inquiry found was "fronting" for a Mafia figure--would move for the Resolution.

Mr Maynard said that Mr Nottage, who resigned from Cabinet last October, could only speak for himself and could not represent Government.

Then, Mr Turnquest wanted to know, why did Mr Nottage thank his colleagues for having the confidence in him to move the Resolution for the debate on their behalf.

Mr Turnquest said that Mr Nottage was "next" to the Prime Minister, he was found by the Commission to be "fronting for the Mafia" and there is evidence to which Members agreed that he was in breach of the Public Disclosure Act and that Mr Nottage might also be a part of a money laundering operation.

He objected to Government's decision to let Mr Nottage move the Resolution "against this situation, and with a cloud hanging over Mr Nottage's head."

Mr Turnquest said that if Government intends to have a serious debate on the Report, then they have started on the wrong course.

He said it is the view of the official Opposition that the Report is the most damaging indictment of corruption and questionable conduct and the most damaging illustration of that which has ever been brought against a democratic country in recent times.

He said the document tells of wrongdoing, greed, breach of trust and breach of a Code of Ethics created by this Government.

Mr Turnquest said it is the view of the Opposition that, as long as members of Cabinet remain in office without removing or trying to remove from their ranks those colleagues who have been condemned, then on the basis of the collective responsibility, "we say they must share in the blame and the condemnation."

He said that a chapter of the Report deals with the social impact drugs has had on the country and the failure of Government to address the problem. He said the report suggests that our sense of right and wrong has now become warped and too promiscuous.

He said it is the PLP who now constitute the Government so that when the Government is condemned by the Report, the PLP must share in the blame.

Mr Turnquest said that the nation is now saturated with the politics of a crude and crass investor, "the type to which the Member for Ann's Town referred." He said that this is a sorry sight to see on the streets and in the hearts and manners of our people.

He felt that the Commission report is a strong indictment because it clearly brings to the bright, open light of day the raw corruption which has been so rampant in our nation.



He said the corruption pervades the entire nation; the Government, police force, the church and the civil service.

Mr Turnquest said one of the very first steps in the cleansing process are to have the resignations of certain Members of Parliament.

"On behalf of the Opposition, I now call formally for the immediate resignations of the following men in this Parliament," he said. He called on:

Lynden Pindling to resign as Prime Minister and as the representative for Kemp's Bay, Kendal Nottage as MP for St Agnes, George Smith as MP for

George Town, George Weech as MP for Bimini and Berry Islands "and I would like to note for the record" that Andrew Maynard, brother of the Minister of Tourism, has already resigned from Parliament, Mr Turnquest said.

Mr Turnquest said that deceitful and unfulfilled promises are being made. He said that one side is being baited up against the other and passions, all of which can do harm to the overall nation, are being stirred up.

He warned that this type of thing is dangerous.

### Pindling's Absence

Nassau THE TRIBUNE in English 11 Mar 85 p 1

[Text]

PRIME MINISTER Pindling arrives in George Town, Exuma tomorrow on what his campaign manager Sean McWeeney has described as "the first round in a series of dynamic political exercises in the Family Islands."

According to PLP chairman McWeeney, Sir Lynden arrives at George Town at 4:30 pm when "a mammoth motorcade" in his honour will proceed to

George Town.

On Wednesday the team will travel to Long Island where a "Solid as a Rock" rally will be held at 7:30 pm at Simms.

Another rally will be held at the school house at Old Bight, Cat Island at 7 pm Thursday.

The tour will end Saturday night with a rally in the Prime Minister's Kemp's Bay, Andros constituency.

[Editor's Note: Under the headline "Sir Lynden absent from House debate second time," THE TRIBUNE of 13 March 1985, page 1, adds the following report:]

WHILE THE Commission of Inquiry report is being debated, Prime Minister Lynden Pindling has deserted his own party and is "covering his own tail," Montagu MP Orville Turnquest said today.

Sir Lynden was absent from Parliament for the second day this week. The House has been debating the Commission of Inquiry report in which Sir Lynden features prominently.

"It is obvious, Mr Speaker...that the Prime Minister has deserted his own party. He has gone off covering his own tail, carrying with him only those fellows who are close to his bosom who want to get re-elected," Mr Turnquest said.

"No man, he's left some of them," Cooper's Town MP Hubert Ingraham shouted out.



Mr Turnquest said that through his actions Sir Lynden has shown contempt for the House and its Members, for which he cares nothing.

He said that Sir Lynden is off first to Exuma, then to Long Island, Cat Island and his Kemp's Bay constituency getting ready for an election.

PLP chairman Sean McWeeney said Monday that Sir Lynden was visiting the islands as the first found of a series of "dynamic political rallies" in the Family Island.

### Attack on 'Conspiracy' Theory

Nassau THE TRIBUNE in English 12 Mar 85 pp 1, 8

[Article by Anthony Forbes]

[Text]

**FREE** National Movement treasurer Orville Turnquest told the House of Assembly Monday evening that the Commission of Inquiry's verdict on the "conspiracy theory" advanced by the Prime Minister, the Attorney General and former Cabinet Minister Kendal Nottage is a clear and resounding "not guilty."

At rallies preceeding the Commission of Inquiry and in evidence at the hearings, Prime Minister Sir Lynden Pindling, Attorney General Paul Adderley and former Youth Minister Kendal Nottage had accused the FNM, The Tribune and NBC of conspiring to destabilize and topple the Bahamian Government.

The first opposition member to speak on the debate on the Commission of Inquiry Report, Mr Turnquest read several speeches given by the Prime Minister, Mr Adderley and Mr Nottage at Law and Order rallies in 1983.

He said that at the Thursday, September 29, 1983 rally, the Prime Minister was the chief speaker and attempted to develop his conspiracy theory by trying to connect the FNM and The Tribune with NBC.

Mr Turnquest said that at the October 17, 1983, rally at the Uriah McPhee Primary School at which the Prime Minister and Mr Adderley were the principal speakers, the Attorney General charged that the FNM and The Tribune were "happy" to be used in the

conspiracy to destabilize the Government.

He said that the Prime Minister also named three Bahamians - Larry Pinder, Walter Moore, brother of High Rock MP Maurice Moore, and George Pinder - as spies for the United States.

He said that the Prime Minister then went before the Commission of Inquiry in June, 1984 and said that the telecast attack by NBC was a well-orchestrated conspiracy directed against the Government and himself in particular.

He said that it is against that background and the development of that theory that Mr Nottage, the first speaker during the debate, spent considerable time lambasting the Opposition and alleging that the Opposition was still carrying on a criminal conspiracy.

But Mr Turnquest said that Mr Nottage went further than the Prime Minister and Mr Adderley by saying that the FNM had enlisted the service of Mr Robert Ellicott, QC, chief counsel to the Commission, to assist them in the conspiracy.

He said that it is interesting as the background against the correspondence Mr Nottage saw fit to read to the House to and from Mr Norman Solomon, former Official Opposition Leader, which he (Mr Nottage) then gave the benefit of his own interpretation to the House.

He said that so serious did the Commission regard the allegations of conspiracy that

the Commissioners felt that, notwithstanding the limited scope of their investigation, they should refer to it.

He then read the Commissioners comment and conclusions on the conspiracy theory as advanced by the Government.

He said that the Commission concluded that the allegation sponsored by the Prime Minister and Mr Adderley of witnesses being programmed and a conspiracy between NBC, the FNM and The Tribune, has been "totally quashed" by the Commission's finding that the information in the NBC broadcast was leaked by lower level enforcement officers in the US.

Mr Turnquest said that so far as the FNM, The Tribune and anyone in the Bahamas are concerned, there was no conspiracy and no involvement by the FNM.

He said that he would have thought that by the time the debate started in parliament on the Commission Report, the matter of the conspiracy theory would have ended.

He said that Mr Nottage trotted out the conspiracy theory to the House, the country and the world notwithstanding the report already issued by the Commission and the oath to conduct a full and diligent inquiry by the Commissioners.

He said that there was no conspiracy nor any attempt to destabilize the Government of

the Bahamas and added: "Let it be clearly understood. This has been totally ventilated by the Commission."

He said that the FNM and Justice International were subjected to long and serious consideration and that evidence was taken from FNM Leader Kendal Isaacs, Chairman Cecil Wallace Whitfield and himself.

"They were cross-examined and were available for cross-examination by counsel for the Prime Minister and were available for cross-examination by any other counsel, including counsel for the Member for St Agnes, and the only person who saw fit to question on this point was counsel for the Prime Minister," Mr Turnquest said.

"The Commission came to the conclusion that the evidence of the Leader of the FNM and the Treasurer of the FNM was evidence of truth," Mr Turnquest said. "There was no involvement and no knowledge of this until the NBC broadcast."

He said that the Commission's conclusions on the matter puts into proper perspective the attempts by Mr Nottage to resurrect something that has already been adjudicated upon and something on which a finding has been pronounced.

"The verdict, so far as the FNM or any of its officers, The Tribune or any US agency or its officers are concerned, is a clear and resounding not guilty," the FNM Treasurer said.

#### Charge of ZNS Bias

Nassau THE TRIBUNE in English 12 Mar 85 pp 1, 8

[Article by Colin Higgins]

[Excerpts] OPPOSITION MP Orville Turnquest yesterday afternoon in the House of Assembly lashed Government-owned ZNS and asked whether--when the Opposition becomes the Government--it will be told: "You see how well we prostituted ourselves for the former Government...we are prepared to prostitute ourselves even more for you."

He asked whether there would be a plea for continued employment and continued practice of what persons had proved themselves "very adept" at.

"Is it any wonder" the extent of degradation to which the country has fallen, asked Mr Turnquest--Fort Montagu MP and FNM treasurer.

Mr Turnquest, continuing his contribution to debate of the Commission of Inquiry report, told of Prime Minister Sir Lynden Pindling's requests of NBC Television following the station's September 5, 1983 allegations against him.

The Member commented on the fact that the Prime Minister of a country can go into another country and "demand" fair time on television when he and his Government don't practice this at home, even when the Opposition is "entitled" to it.

He asked whether ZNS realises the FNM is the "alternative Government" and is supported by a large number of persons in the country.

"And they don't have the good sense, leave aside fair play, to do the duty which is theirs in a responsible fashion!" Mr Turnquest said. "All they care about is biased reporting...reporting what the Government wants them to say!...smearing the alternative Government!"

He told the House he "imagined" those responsible for policy at the station either direct or condone what is happening.

#### FNM Call for Election

Nassau THE TRIBUNE in English 12 Mar 83 pp 1, 8

[Text] THE OPPOSITION Free National Movement have called on the Bahamian people to demand a general election and have charged Prime Minister Sir Lynden Pindling with showing "contempt" for Parliament, the parliamentary system and the Bahamian people.

FNM spokesman Arthur Foulkes this afternoon referred to parliamentary colleague Orville Turnquest's mention yesterday in the House, of the Prime Minister's Family Island travelling.

He related Mr Turnquest saying that the purpose of the travels is to take away the "spotlight" from debate of the Commission of Inquiry report.

It can be expected that while Sir Lynden is travelling the islands, ZNS will have to divide its attention between him and the House debate, Mr Foulkes recalled his party's treasurer telling the House.

"In practically every case," said Mr Foulkes, "ZNS is unfair to the Opposition and in

this case it is obviously another Pindling trick to reduce even further ZNS's coverage of this debate which is perhaps the most important in recent times.

"The Prime Minister is obviously showing contempt for Parliament and the parliamentary system," said Mr Foulkes. "And he is showing contempt for the people of the Bahamas by absenting himself from Parliament at this time instead of being there to give an account of his actions and the actions of his Government.

"It is well known particularly amongst the civil service that the country's heart has slowed down considerably and threatens to stop beating altogether as the Prime Minister and his ministers and backbenchers run around the country in an attempt to fool Bahamians and when they're not doing that they're fighting amongst themselves.

"All Bahamians," the Opposition spokesman said,

"should now realise that Sir Lynden is a desperate leader and will use every stratagem possible to avoid the day of reckoning and to perpetuate himself in power.

"We call on the Bahamian people once again to raise their voices with ours in demanding a general election so that the country could be put back on an even keel."

#### Nottage Defense

Nassau THE TRIBUNE in English 12 Mar 85 pp 1, 8

[Article by Anthony Forbes]

[Text]

ST AGNES MP Kendal Nottage, former Minister of Youth, Sports and Community Affairs, denied Monday afternoon that he had admitted committing a criminal offence by maintaining an account in a company in Panama without Exchange Control permission.

Mr Nottage, who the Commission of Inquiry concluded had "fronted" for Mafia figure Salvatore Michael Caruana, denied that he did not disclose that account to the Public Disclosure Commission.

But Free National Movement treasurer Orville Turnquest, MP for Montagu, told the House of Assembly that were it not unparliamentary, he would call Mr Nottage a deliberate liar.

The ex-Minister was denying remarks made by Mr Turnquest, the first member of the Official Opposition FNM to speak during the debate on the Report of the Commission of Inquiry, which is in its second month.

In his address, Mr Turnquest referred to a "Law and Order" rally held on Thursday, September 22, 1983, by the PLP following the NBC broadcast, which triggered the appointment of the Commission.

He said that Mr Nottage, who resigned from the Cabinet last October in the wake of an internal crisis sparked by startling revelations at the Commission hearings, and Prime Minister Sir Lynden Pindling were the principal speakers.

Mr Turnquest, who spent nearly two hours reading extracts from speeches at the rally and conclusions by the Commission of Inquiry, said that the address at the rally by Mr Nottage showed an arrogant attitude which has since grown.

He noted that by the time of the rally, the Trade Union Congress had stated its position with regard to the NBC broadcast and was preparing to demonstrate on Bay Street where it had announced it would spread a human carpet.

He referred to Mr Nottage's remark at the rally that no one will impede his way to parliament and he will walk on the TUC's carpet, and told the House: "I have never heard such arrogance. To see that he would have the crass to say it really amazes me."

Who had the Commission condemned, asked Mr Turnquest, "as an associate of the Mafia, as fronting for the Mafia, fronting for schemers, and liars and murderers"?

Doing what he called "the ground work" for his remarks on Mr Nottage, Mr Turnquest said that evidence that came out during the Commission's hearings showed that a Larry Martin, who he said had brought \$1 million to Nassau to be laundered, was one of Caruana's lieutenants.

He told the House that Martin was shot in the back of the head and his body was found stuffed in the trunk of a

car in the United States.

He then pointed out that Mr Nottage had admitted to having committed a criminal offence in maintaining an account in a company in Panama which did not have Exchange Control permission.

He said that Mr Nottage also did not disclose that account to the Public Disclosure Commission.

Mr Nottage, who was not in the Chamber at the time, returned almost immediately and denied the charge on a point of order.

Mr Nottage said that he never said he had committed a criminal offence and that no evidence had emerged that he had a company that had a bank account in Panama and for which he did not have Exchange Control permission.

Mr Nottage also said that whatever was disclosed by him to the Public Disclosure Commission, was disclosed in accordance with the law.

He said the Disclosure Commission had investigated a complaint against his disclosure and found the complaint unsubstantiated.

However, Mr Turnquest responded that he will refer to Mr Nottage's cross-examination by Commission chief counsel Robert Ellicott, QC, and were it not unparliamentary, "I would call him a deliberate liar."

Mr Turnquest also referred to Harbour Bank and Trust, which was incorporated by the law firm of Dupuch and Turnquest in April, 1974, and which Mr Nottage had claimed in his address weeks ago had "fronted" for fugitive financier Robert Vesco.

He said that since the allegation was made by the Prime Minister at the rally, he gave all documents relating to the law firm's dealing with the bank to the Commission including Central Bank documents and the audited accounts.

He said that Mr Nottage still made the allegation, which again if it were not unparliamentary, "I would call a lie."

"That is why it is so preposterous, so wrong, so unfair, for the Member for St Agnes to

come here on the 9th of February and say the same foolishness," Mr Turnquest said.

Mr Turnquest also criticized ZNS Radio and TV-13 for its "biased" reporting on the opposition and wondered how many people are aware of the FNM's contribution to the debate on the Commission's Report.

He recalled how ZNS kept reporting the statements by Baptist clergymen calling him a "liar" and challenging Bishop Drexel Gomez, the Anglican Bishop of Barbados who was one of the three Commissioners, to tell the truth about what had transpired at a Paradise Island luncheon last year.

He said the Bishop responded "in a manner which nobody could suggest is untruthful," but ZNS did not say a word about it.

He also said that the "Solid As A Rock" rallies of the PLP have now moved to the Family Islands of Exuma, Long Island, Cat Island and Eleuthera. The rallies, he said, are geared to taking the limelight from the opposition which is having its say in parliament now on the Commission's Report.

He warned that the opposition will have the limelight for a long time and said that ZNS policy is "evil, stupid, can't last" and does not augur well for the country or the Bahamian people.

Mr Turnquest said that when the FNM becomes the government, it will not treat the opposition in that manner because he knows that they will not remain in power forever.

He said that an FNM government will correct the wrongs of the PLP and will leave a fair and just pattern of conduct for Bahamians.

He asked whether the opposition is not entitled to equal treatment and why there is no correction by ZNS when mistakes are made. He said that ZNS should not be concerned with what one's politics are or whose side one is on.

He said that the owners of ZNS pay the bills and the owners of ZNS are the tax payers of this country.



### Opposition Charges

Nassau THE TRIBUNE in English 14 Mar 85 p 1

[Article by Athena Damianos]

[Text] MEMBERS of the House of Assembly will soon be "put to the test" in taking a stand against corruption, Mr Orville Turnquest (Montagu) said this morning.

Mr Turnquest, who was speaking for the third day on the Commission of Inquiry report, said the Opposition is approaching the point when it will throw out a challenge.

"That's the test to which (Members) will shortly be put," he said.

Prime Minister Lynden Pindling, who is busy campaigning in the Family Islands, has been absent from the debate on each of the three days the House has met this week. Mr Turnquest said yesterday that Sir Lynden has deserted his party and is "covering his own tail" as he prepares for an election.

He said that two PLP MPs who resigned from Cabinet last October have been condemned by the Commission report--one for facilitating drug trafficking and the other because he "fronted" for the mafia.

Of the five Members the report condemned, he said that only one of them--former senator Andrew "Dud" Maynard--had the decency to uphold the dignity of Parliament by resigning.

"He's a man!" former Deputy Prime Minister Arthur Hanna, who resigned from Cabinet last October because he thought the PLP's principles had been compromised, called out.

"I commend him. I commend his actions to others!" Hubert Ingraham (Cooper's Town), said. Mr Ingraham, former Minister of Housing and National Insurance, was fired the day after Mr Hanna stepped down. He had intended to resign.

Mr Turnquest said that although the sum was small, the Commission found that Bimini and Berry Island MP George Weech (PLP) accepted \$1,000 from a drug smuggler and that he must therefore resign his seat.

"In the proper case, you're right," Mr Hanna called out.

Mr Turnquest said that in the proper case, the Prime Minister would resign his office and seat, and Kendal Nottage (St Agnes), George Smith (Rolleville) and Mr Weech would resign from Parliament and go back to their constituents for re-election. However, he did not think that they were worthy of seeking re-election because they had betrayed the confidence of their people.

Mr Turnquest said that while Mr Hanna had been exonerated by the Commission, he nevertheless resigned from Cabinet. He said that former Minister Perry



Christie was fired, even though he, too, had been given a clean slate. But, others who were condemned, or who were neither condemned nor exonerated, are still in office or Parliament. He said that:

--In relation to drug trafficking, Sir Lynden has not been clearly exonerated by the Commission report in reference to funds he received.

--On the otherhand, the report concluded of Mr Hanna, who voluntarily resigned from Cabinet: "Finally, we would comment on the aspersions cast upon Mr Hanna's character and the allegations made against him are unfounded. In our opinion Mr Hanna's integrity continues unblemished."

Opposition supporters in the gallery burst out laughing at these last words. Mr Turnquest repeated the conclusion that the Member's integrity is unblemished.

"Continues," Mr Hanna answered with great dignity, enunciating each syllable.

--Mr Nottage "whether he realized it or not" was fronting for mafia figure Michael Caruana, according to the report.

--Mr Smith "corruptly accepted funds from known drug smugglers." The Commission recommended that the Attorney General review the evidence relating to Mr Smith to determine what further action may be appropriate in the circumstances.

--Mr Christie "expressed his total objection to influence peddling and regretted that the practice has persisted so strongly," as did Mr Hanna.

--Andrew Maynard accepted payment from an American drug smuggler on the basis that he would use his influence to have the smuggler's name removed from the Stop List, the Commission concluded on the balance of probabilities. Mr Maynard was to use his influence over his brother, the Minister of Tourism, who was responsible for Immigration at the time. However, there was no evidence whatsoever to indicate that the money found its way to the Minister or the Prime Minister.

The Commission also concluded that M&D Airlines, of which Mr (Dud) Maynard is the majority shareholder, "acquiesced in the illegal trafficking of drugs through Gorda Cay."

--Minister Clement Maynard "gave his evidence in a candid and forthright manner. His financial affairs and Public Disclosure documents were examined ...and no evidence was found in his accounts of monies over and above his source of income. There were no transactions or extraordinary payments." The Commission concluded that Mr Maynard is a person of integrity and that allegations made against him were unfounded.

--Youth Minister Livingston Coakley was exonerated by the Commission.

--Opposition Sen Henry Bostwick was completely exonerated of allegations that he was connected to a drug trafficking operation at Hawksnest Creek.

### Probe of ZNS

Nassau THE TRIBUNE in English 14 Mar 85 p 1

[Text] THE Speaker of the House of Assembly, Sir Clifford Darling, today referred the matter of the media's coverage of proceedings to the Committee on Privileges.

Sir Clifford made his ruling following complaints from Montagu MP Orville Turnquest on the "biased, unfair reporting" of ZNS Radio. Mr Turnquest said that ZNS has flagrantly abused its privilege of reporting on proceedings with its unfair reporting on Opposition matters. The privilege allowing the Press to cover proceedings can only be extended by the Speaker.

Mr Turnquest said that the ZNS must not be allowed to pick and choose isolated incidents that are perhaps inconsequential.

"They must give a fair summary of the proceedings they decide to report, or do nothing," he said.

Mr Turnquest said he spent the whole day yesterday making the most serious allegations about the Government and against the highest elected official, and made remarks about three Ministers who left Cabinet because of apparent corruption.

"In less than a minute, they carried one single item that I had made reference to..."

Mr Turnquest appealed to the Speaker to see to it that ZNS stops abusing its privilege and reports fairly on all matters.

House leader Clement Maynard, whose responsibilities include the Broadcasting Corporation, said he would support Mr Turnquest if he wanted the whole question of the media to be referred to the Committee on Privilege. Mr Maynard felt that many things he has said in the House are not being reported accurately in other sections of the media.

The Speaker said that Mr Maynard had a valid point and referred the matter to the Committee on Privileges.

Members of that committee are Sinclair Outten (St Barnabus), Moses Hall (West End), Maurice Moore (High Rock) and Janet Bostwick (Yamacraw).

### Turnquest Blast at Smith

Nassau THE TRIBUNE in English 14 Mar 85 pp 1, 4

[Article by Athena Damianos]

[Text] IN THE words of the Commission of Inquiry, "there must have been corruption in the Police Force and that corruption must have reached to a senior

level of Government," Montagu MP Orville Turnquest reminded the House of Assembly this morning.

Mr Turnquest said that Police Commissioner Gerald Bartlett clearly inferred to the Commission that one source of corruption which prevented the elimination of a drug smuggling operation at Norman's Cay was the Ministry of Agriculture.

Mr Turnquest said that there are seven areas under the law in which George Smith, who headed the Ministry at the time, has been brought into question. The Commission found that Mr Smith, whose constituency encompasses Norman's Cay, corruptly accepted funds from drug traffickers. Mr Smith was not in the House this morning.

St Agnes MP Kendal Nottage objected strenuously to Mr Turnquest's remark about the Ministry and corruption. He said that Mr Bartlett never called the Ministry corrupt.

Mr Turnquest agreed that the Commissioner had not used those words. What the Commission report said was:

"The Commissioner also acknowledged that there were deficiencies in the policing and that corruption would be one explanation for it. He went on to say, however, that with co-operation from Immigration and Agricultural Ministries, the problems could have been overcome."

Mr Turnquest said that he had quoted from the report before he made the remark and that it was his duty to comment on what Mr Bartlett said.

"The problem to which he is referring is a problem of corruption," he said.

Mr Nottage--who the report said "whether he realized it or not" was a mafia "front man"--continued to take issue with Mr Turnquest's remarks.

"Let the little man sit down!" Mr Turnquest, who was becoming annoyed with the repeated interruptions, said.

Mr Nottage continued to protest. He accused Mr Turnquest of misleading the House and that, in his view, the Member was incorrect.

Mr Turnquest pointed out that he was giving his view. He said that Mr Nottage had his opportunity to speak and put forth his point of view without being repeatedly interrupted. Mr Nottage dominated the House during the first four days of the debate on the Commission of Inquiry report. Mr Turnquest has been on the Floor for three days.

"I am allowed to analyse it (report) and no member of this House, particularly the Member for St Agnes...is going to tell me how to analyse it," Mr Turnquest said firmly.

During an exchange between the Speaker, Mr Turnquest and Mr Nottage, former Deputy Prime Minister Arthur Hanna suddenly called out:

"See no evil. Speak no evil. Hear no evil."

Mr Turnquest said that the Commission determined that Mr Smith lied in his testimony and referred the evidence to the Attorney General.

He said that Section 463 of the Penal Code stipulates that anyone convicted of perjury shall be liable to imprisonment for 10 years.

"Oh, I thought it was seven," Mr Hanna, who was holding an animated discussion on the matter with other backbenchers, said.

"This is what the Commission said the Member for Rolleville has done and this is what he is liable to suffer should the Attorney General act on that reference. Just for perjury," Mr Turnquest said.

He said there is another offence falling short of perjury and that is the fabrication of evidence in a proceeding with the attempt to defeat, obstruct or pervert the cause of justice. This offence also carries a 10-year prison sentence.

Mr Turnquest said that in relation to the \$100,000 Mr Smith corruptly received from drug smugglers, records show that \$96,000 cash of this amount was deposited into the former Minister's bank account. Mr Turnquest said that this could be another matter for which he may be prosecuted. He said that the Prime Minister might also fall into this category.

He said that once a complaint is made against them, persons found guilty of violating the Public Disclosure Act can be fined a sum not exceeding \$10,000 and sentenced to prison for a term not exceeding two years. Where the offence involves the deliberate non-disclosure the court shall in addition to a fine and/or prison sentence, forfeit the property that was not disclosed if it is within the Bahamas. If it is outside the Bahamas, then the court may order an amount equal to the value of the property be paid by the Member to Government.

Mr Turnquest said that Mr Smith's corrupt acceptance of funds from drug traffickers evokes sections of the law under the Prevention of Bribery Act (1976).

He said that offences under the Act could include assisting favourably any person in any transaction of business for the public body. Mr Turnquest said this could include assisting on Immigration matters and it

could relate to the approval of the sale of the bridge.

Anyone convicted under the Act is liable to a fine not exceeding \$10,000 or imprisonment not exceeding more than four years, or both.

With reference to a BMW car, which the Commission found Mr Smith accepted from the drug smuggling operation of Joe Lehder on the balance of probabilities, Section 4 of the Exchange Control Regulations Act says that any person convicted of an offence under the Act shall be liable to imprisonment of one year or a fine of 100 pounds (about \$49).

The Commission made reference to the under-valuation of the BMW to Customs and said that Mr Smith failed to obtain exchange control authority to export the purchase funds and to declare them to US Customs.

Mr Turnquest said that under the Customs Management Act, persons failing to make declarations or making a declaration below the true value are liable to a prison term of

three years and/or \$5,000.

And finally, Mr Turnquest said there was an Act that disqualifies a person being elected to Parliament.

"Being in jail?" Mr Hanna wondered out loud.

Mr Turnquest said that applies to anyone who is in prison for a period exceeding 12 months.

CSO: 3298/487

BAHAMAS

## PUBLIC DISCLOSURE COMMISSION HIT FOR EXONERATING PINDLING

### FNM Women's Case

Nassau THE TRIBUNE in English 8 Mar 85 pp 1, 4

[Article by Colin Higgins]

[Text]

THE PUBLIC Disclosure Commission has been implored by the FNM National Women's Association to issue a detailed public explanation for its decision in finding complaints against Prime Minister Sir Lynden Pindling "unsubstantiated."

In a press release issued following a scheduled meeting last night, the Women's Association - a branch of the Opposition Free National Movement party - charged: "In absence of a reply from the Commission we can only conclude that under our very noses double standards for politics, finance and the law are being created in our nation."

The release said this is not a wild statement and refers to its four-page examination of the Prime Minister's finances and "the evidence of 'absolute discharges' handed down to a chosen few and the public recriminations when opposition groups demonstrate in ways no more violent than the often quoted Black Tuesday."

"If we Bahamians, both men and women, want to sit by and let this happen upon the heads of our sons and daughters, it will be practised."

"But remember," says the Association, "that the remedy is in our hands and our hands only."

"For, in the Bahamas, the Election Court is the Final

Court of Appeal."

Traditionally, says the release, the role of women in the Bahamas has been described as "keepers of the home." Budgeting, therefore, is an "everyday routine task for us."

"If we are the economists of the home, we should now also accept our responsibilities as economists for the nation."

The recent Public Disclosure Commission report reveals a state of affairs in the personal and national budgeting of Governmental politicians, "which at the best is ludicrous and at the worst is probably actionable," alleges the Women's Association.

The release gives definitions for several "accounting terms" used in the declaration which parliamentarians must file annually under the Public Disclosure Act 1976.

•Assets are "any portion of the entire effects belonging to a person. They consist of articles of goods or property available for the payment of a person's obligations or debts."

•Income is "receipts, or benefits, usually monetary, periodically accruing from labour, business, property or investments."

•Accounts receivable: "...claims that are expected to be settled by the receipt of monies."

The Association then lists items it claims were not



declared by Sir Lynden over a seven-year period from January 1977 to December 1983 and wants to know how they are explained.

1) Shares of Bahamas Catering Ltd held in trust by Gareth Finlayson and Everette Bannister for Sir Lynden.

2) Shares of Independence 73 Ltd held in trust for Sir Lynden by Everette Bannister.

3) The \$300,000 proceeds from the sale of the Prime Minister's Skyline Drive house "Long Bay."

4) The "gifts" from Mr St George of the Grand Bahama Development Company.

5) "Donations from anonymous 'friends.'"

"We must emphasize," says the release, "that none of the details of the aforementioned items were seen on any Declaration submitted by the Prime Minister within the previously stated years."

"The Prime Minister in his evidence before the Commission of Inquiry said that he acted on the advice of an accountant. It is hard to imagine any competent accountant advising that such items should not be reported," says the statement, which is signed by Association

President Janet Bostwick, MP for Yamacraw.

The Association says the Public Disclosure Commission in its letter to Attorney-General Paul Adderley dated December 31, 1984, stated that after examination of the declarations and receiving explanations from the persons concerned, it considered the complaints groundless.

"The Commission's letter dated 10th January, 1985 substituted the word 'unsubstantiated' for the word 'groundless.'"

"We implore the Public Disclosure Commission to issue a public detailed explanation for their decision in this matter. The people of this nation must be enlightened as to what is the purpose of the Commission and the Disclosure form, and exactly why the Prime Minister was not required to disclose full details of the above listed transactions."

"As it stands now," says the Association, "it would seem that its recent decision in this regard defeats the very purpose for which the Public Disclosure Act was enacted, and makes a mockery of the law and the Commission itself."

#### Further Opposition Complaints

Nassau THE TRIBUNE in English 13 Mar 85 p 1

[Article by Athena Damianos]

[Text] OPPOSITION leader Kendal Isaacs was never interviewed by the Public Disclosure Commission after he complained that the Prime Minister had not fully disclosed his income and assets as prescribed by law.

Although Mr Isaacs had filed a formal complaint last October 2, pursuant to the Public Disclosure Act, the only response from the Commission has been a letter of acknowledgement.

"Today is the 13th of March, 1985--five months and almost two weeks to the day. From that date until this date, the Public Disclosure Commission has not responded with the single word, not a single letter in reply to the leader of the Opposition except to acknowledge receipt of that letter," Montagu MP Orville Turnquest said in the House of Assembly.

Commission of Inquiry evidence shows that Sir Lynden did not declare his interest in several companies which, documents indicate, he still holds.

According to further evidence, Sir Lynden received six payments totalling \$565,000 for the sale of his home between April, 1979 and February, 1980. However, he did not disclose the transaction until February, 1982 on a 1981 disclosure form.

In spite of this evidence, the Public Disclosure Commission dismissed first as "groundless" then as "unsubstantiated" complaints that Sir Lynden had failed to fully disclose his income and assets.

Mr Turnquest said that under the Act, Members of Parliament must make a declaration of their income, assets and liabilities by March 1 in relation to the previous year. He said that Sir Lynden failed to do so on a number of occasions.

Mr Turnquest pointed to evidence given by Insp Frank Richter, a financial investigator attached to the Commission.

Said Mr Richter: "I note that this disclosure was made just one month after a Select Committee was appointed on 27th January, 1982, to review, among other things this transaction (involving the sale of Sir Lynden's home)."

Mr Turnquest drew the Speaker's attention to a recent statement by former Deputy Prime Minister Arthur Hanna. Mr Hanna said in the House that the appointments of the Commissioners expired on December 31.

However, the Commission initiated correspondence with the Attorney General over the matter on December 31. The Commission last wrote to the Attorney General on January 6. The chairman of the Commission, William Sweeting, declined to accept reappointment.

Canon William Thompson and Warren Rolle, managing director of the Bahamas Development Bank, were reappointed to the Commission.

Mr Turnquest said following "sip-sip" that he was going to be prosecuted for filing a "groundless complaint," Mr Isaacs dared Attorney General Paul Adderley to prosecute him. The following day, Mr Adderley released correspondence showing that the Commission initially reported that the complaint was groundless. This means that Mr Isaacs was liable for prosecution.

He said that the FNM was grateful to Mr Adderley for releasing the correspondence because if he hadn't, the public still wouldn't know what had transpired. He said he didn't think that Mr Adderley had to release it, and that by so doing he was "covering" himself.

Mr Adderley informed the Commission on January 9 that "the evidence which I require must be admissible in the courts. The decision arrived at by the courts must have been consistent with natural justice and there would have to have been a proper enquiry in respect of each complaint in accordance with the Act for the finding of the groundlessness of the complaints to have been properly made."

He said that the Commission therefore had to supply him with the complaints made by Mr Isaacs and also Mr Leonard Archer, as a private citizen, together with all letters exchanged, notes of the interview and a full and complete account of the investigations made by the Commission and a copy of the reasons for the Commission coming to the conclusions that the complaints are groundless.

On January 10, Mr Knowles wrote back to the Attorney General to say that the Commission had been in error when it dismissed the complaints as "groundless" and that it had actually meant "unsubstantiated."

Mr Turnquest said that a proper inquiry could not have been made because Messrs Isaacs and Archer were not interviewed and letters were not exchanged. Therefore, he didn't think that a proper "investigation" could have been conducted.

Mr Turnquest, who referred to letters between Mr Isaacs, Mr Adderley and Commission secretary Garnet Knowles was forbidden by the Speaker to read from Mr Archer's letter.

Both Mr Turnquest and Mr Isaacs, as the representative for Delaport where Mr Archer resides, objected strongly and in length to the Speaker's ruling.

Speaker Sir Clifford Darling said he didn't "think this House has to listen" to what every citizen has to say. He said there are thousands of citizens and the House couldn't entertain letters from thousands of citizens.

He said that if Mr Archer wanted to have his letter read in the House, it would have to be done through his elected representative. He said it ~~would~~ have been "different" if Mr Archer had written the letter as the leader of a group instead of a private citizen.

#### Appeal to Supreme Court

Nassau THE TRIBUNE in English 14 Mar 85 pp 1, 4

[Article by Colin Higgins]

[Excerpts]

ACCUSING the Public Disclosure Commission of "flagrant abuse" of justice and Prime Minister Sir Lynden Pindling of "blatant disrespect" and "contempt" for the institution, Opposition MP Orville Turnquest gave notice in the House of Assembly yesterday that his party will seek an order of *certiorari* from the Supreme Court quashing the Commission's decision.

"I can assure you, sir, that we shall do our duty to ensure that what should have been the proper course by the Public

Disclosure Commission is done," he told House Speaker Sir Clifford Darling.

Into the third day of his contribution to debate on the Commission of Inquiry report, the Fort Montagu representative and treasurer of the Free National Movement said in view of the "illegal manner" in which the Public Disclosure Commission came to its decision, an order will be sought from the Supreme Court to "properly and fully" explore the Commission's decision.

Mr Turnquest told Sir Clif-

ford the party's only concern was "we didn't want you to say the matter was *sub judice*."

"How could intelligent - I better take that word back - how could responsible members of the Commission determine that income could be other than receipts?" asked Mr Turnquest.

The Prime Minister failed to disclose a sum of \$670,000 on three separate occasions beginning in 1979 and each year of non-disclosure is a separate breach of the law, Mr Turnquest said.

Government MP Hubert Ingraham shouted across the floor that Sir Lynden disclosed the sum in 1983 and this could be used for "mitigating purposes."

Mr Turnquest replied: "Yes, it might cut down three months to two."

In a voice ringing throughout the upper chamber, the Opposition MP said the plain fact is that the Prime Minister received amounts of money and

did not disclose.

The Commission cannot "arrogate" to itself the power to say income is not receipts or income is not income, the House was told. Mr Turnquest charged: "That is what they did."

The Member called Sir Lynden's actions "arrogant" and "dictatorial," indicating a "contemptuous disregard" for the institution of the Commission.

He said the complaint made by the Leader of the Opposition was not a simple or normal complaint but a complaint against the highest elected official in the land.

"It's not a joke sir," he told Sir Clifford. "This concerns the continued membership in this House of the Prime Minister." He said it concerns the continued House membership of the longest serving House Member. "It concerns the membership in this House of the Father of this House."

CSO: 3298/487

22 April 1985

## BAHAMAS

## WORKERS PARTY'S MONCUR, MILLER CHARGED WITH SEDITION

Nassau THE TRIBUNE in English 12 Mar 85 p 8

[Article by Natasha Chea]

[Text]

THE leader and chairman of the Workers Party - Philip Miller and Rodney Moncur - were formally charged in the Supreme Court this morning with sedition before Mr Justice Bertrand Adams.

Ordering their \$3,000 bail continued until the completion of the trial, which is scheduled for April 15, the judge also removed the condition of the committing magistrate that Moncur and Miller report once a week to the police station.

"I will remove the condition. Either they are on bail or...I do not think they will abscond. The condition of attending the police station once a week is removed."

Moncur, represented by lawyer Mr Kendal Isaacs, QC, is charged with three counts. It is alleged that on January 6, 1984 he uttered seditious words to the effect that it was time to resort to violence, to seize the police stations and radio station, to destroy public property and to start civil unrest, having an intention to excite disaffection against the Government of the Bahamas as by law established.

He was also charged with uttering the same words, having an intention to raise disaffection "amongst Her Majesty's subjects."

Moncur was further charged with uttering seditious words on the same date to the effect that the court had become a whore house for political prostitution,

"having an intention to bring into hatred or contempt or to excite disaffection against the administration of justice in the Bahamas."

When the first charge was read out to him and he was asked to plead, Moncur said, "I do not understand the charge, sir."

"Don't you have counsel?" asked the judge.

Rising, Mr Isaacs said he represented Moncur and had "advised" him to plead not guilty.

"You have the most senior member of the Bar representing you. If you do not understand the charge, you should have asked him. You had ample time to do so," said the judge to Moncur.

Asked again how he pleaded, Moncur replied, "not guilty."

Miller, represented by lawyer Jeanne Thompson, is charged with two counts. It is alleged that on January 6, 1984 he uttered seditious words to the effect that there should be a bloodless coup, that if Pindling would not go, he should be removed and that there must be a revolution, having an intention to excite disaffection against the Government of the Bahamas.

He was further charged with uttering the same words having an intention to raise disaffection amongst Her Majesty's subjects.

Solicitor General Mr Burton Hall who appeared for the

Crown told the court that as the January Sessions were ending next week and the case was not coming up for trial before then, he was applying for the matter to be traversed to the next session in April. "The date that has been agreed by the Crown and the defence for trial is April 15."

Mr Justice Adams then told Moncur and Miller that they must appear in court at 10 am that day.

CSO: 3298/487



BAHAMAS

# TRIBUNE REPORTER BERATED FOR COVERING PLP RALLY

Nassau THE TRIBUNE in English 7 Mar 85 p 6

[Text]

**GOVERNOR'S HARBOUR -** Minister of Transport Phillip Bethel told a Tribune reporter to "stop acting stupid" when he asked him if he knew when the general election would be held.

Mr Bethel was here to speak at a PLP rally held at Governor's Harbour Primary School on Tuesday, February 26. About 140 persons turned up to hear the MP for the constituency speak.

Before the meeting opened, The Tribune reporter approached Mr Bethel and asked the offending question. Replying arrogantly, the MP said: "Only the Prime Minister know dat, stop acting stupid."

He then went into the school room, where he repeatedly asked different members of his party not to allow The Tribune reporter to remain on the premises. Mr Bethel also asked the Chief of Police for Governor's Harbour not to let the reporter tape the rally. The reporter agreed not to use his tape recorder.

Throughout the meeting the reporter was constantly harrassed, while Mr Bethel insulted him, members of his family and The Tribune from the public platform.

However, one of the speakers took a different attitude. "We welcome The Tribune reporter to the rally," said Mr Robert Johnson, "because we have

nothing to hide."

During the evening the PLP elected officers for the coming year. Elected were Randy Petty, president; Arthur Turnquest, vice-president; Emily Petty, secretary; Windsor Bethel, assistant secretary; Donald Fernander, treasurer; Lawrence Griffin, assistant treasurer and Diane Farrington, chaplain.

"The political turbulence will pass over," Mr Bethel promised his listeners, adding that "the FNM is out to get this Government anyway it can." He said that "if Pindling goes down, I will go down. The Commission of Inquiry cleared the whole Government. The Commissioners (of Inquiry) all favoured the report and don't think that the Bishop (Bishop Drexel Gomez, who submitted a Minority Report on the Prime Minister's finances) is not solid as a rock."

"The top Eleuthera power has to be a PLP," Mr Bethel, who was accompanied by his wife, told his supporters. "The best 18 years this country has ever seen have been under the PLP administration."

He accepted blame for the United States Navy base closing, saying, "The Navy had to leave."

Mr Bethel said that as of the week before Government had agreed to lease the site of the Navy base. He did not say to whom.

BAHAMAS

PINDLING HIT FOR STAND ON HAITIAN IMMIGRANT ISSUE

Determination of Citizenship

Nassau THE TRIBUNE in English 5 Mar 85 p 1

[Article by Athena Damianos]

[Text]

FNM ACTION group chairman George Wilson last night suggested that the Prime Minister is trying to form an alliance with Haitians in order to stay in power.

Mr Wilson, who was addressing a rally at the Action Group's Market Street headquarters, drew the crowds' attention to recent remarks Prime Minister Lynden Pindling made about Haitian immigrants.

Sir Lynden said there is no problem about the status of Haitians born in the Bahamas after 1973. He implied that the Constitution stipulates Haitians born in the Bahamas before 1973 are citizens and those born in the country after Independence are entitled to Bahamian citizenship.

He also told the recent conference of the PLP's Central Region Branches that the purpose of recent talks with the Haitian Government was to agree on some terms under which Haitians might get some proper status in the Bahamas.

Although the Bahamas became Independent almost 12 years ago, it is believed that this is the first time Sir Lynden has offered hope of regularizing the position of Haitians born in the Bahamas.

Mr Wilson suggested that Sir Lynden may be making a move to have the Haitians registered so that he could manipulate the

next general elections.

"If you understand what Lynden Pindling is doing, you will discover a very sinister and diabolical plot. This is what we Bahamian people, what we poor black people over the hill must recognize and recognize before it is too late," Mr Wilson said.

He said that the Haitian people are our brothers and what he objects to is the fact that Sir Lynden may intend to use them for his own political gain.

He claimed that Sir Lynden is not a full Bahamian "and he's about to try to make an alliance with other non-Bahamians in order to stay in power."

"This is serious. This is serious and we have got to understand how twisted this thing is getting."

Mr Wilson also warned that if Government raises hospital fees by the end of the month as announced, The Action Group will march to protest the increases.

Government announced February 25 that health care costs, which have been frozen for 10 years, will be increased March 31. The large increases are across the board. For instance, Bahamians who paid \$1 for medical attention will have to pay \$10.

Mr Wilson called on Sir Lynden to reverse the decision to raise hospital fees.

He asked those who attended last night's rally to put a circle around every date on the calendar on which they do not have \$10 and to think about what would happen if they or their children became ill that day.

Mr Wilson said that the Action Group will call upon Bahamians, particularly mothers, ill people, church leaders and even children who will be affected by the cost increase to join in the march.

Mr Wilson also responded to statements made by certain Baptist ministers yesterday who took issue with what Montagu MP Orville Turnquest said in Parliament.

Mr Turnquest told of a lunch between Bishop Drexel Gomez, a member of the Commission of Inquiry, and several clergymen sometime before the Bishop submitted his minority report on Sir Lynden's finances in December.

According to Mr Turnquest, the Bishop was told: "You know that we have to be sure that the top man is okay in this report...A lot of us in this country depends on this man."

Revs Charles Smith and Michael Symonette, who were among the ministers who at-

tended the lunch, denied that the lunch took place as described.

Mr Wilson, responding to remarks made by Rev Symonette, said that Bahamians at one time did respect ministers of religion.

"It was not always like this," he said.

"But, there is a difference between then and now - a difference that we would like some of the reverend gentlemen to understand."

Mr Wilson said that yesterday, ministers of religion would call a spade a spade and live according to the bible and their principles.

"Never would a minister of religion say, 'You know I can't eat principle' and men of religion today must understand that they have a moral responsibility to the nation. Yes Rev Symonette, you will have respect. Yes Rev Smith, you will have respect. Yes, Rev Hall, you will have respect when you carry out your mission like Jesus told us to carry it out. When you call things according to your bible and you speak up for what is right and you condemn what is wrong, no matter who does it and no matter who the man is," Mr Wilson said.

#### PLP Defense

Nassau THE TRIBUNE in English 6 Mar 85 pp 1, 4

[Article by Anthony Forbes]

[Text]

A BAHAMIAN lawyer, of Haitian origin, today accused the official opposition Free National Movement of "conveniently and cautiously" disregarding the implications of the constitution in connection with rights granted to Haitians in the Bahamas.

Expressing "shock" at the reaction of FNM Action Group leader George Wilson to the Prime Minister's interpretation of the constitution regarding Haitians, lawyer Elizer Regnier said that regularising their status is not a "sinister or diabolical plot" as alleged by Mr Wilson, but a simple compliance with the law.

In a press statement defending the Haitian community against "unwarranted attacks," Mr Regnier said that those who refuse to be bound by the established political processes endanger the rights of all citizens and threaten to replace them with anarchy and totalitarianism.

Mr Regnier, who was replying to remarks made by Mr Wilson at an Action Group rally Monday night, also declared that it is "political suicide" for any party to ignore the Haitian ethnic group as far as the political future of the country is concerned.

The Prime Minister said re-

cently that the constitution provides that Haitians born in the Bahamas before 1973 are citizens and those born in the country after Independence are entitled to Bahamian citizenship.

At Monday night's Action Group rally on Market Street, Mr Wilson, the FNM's unsuccessful candidate in St Michael's during the 1982 general election, suggested that the Prime Minister is trying to form an alliance with the Haitians in order to stay in power.

"Progressive Bahamians have for many years been waiting for some official stand by the FNM with regard to the Haitians in the Bahamas," Mr Regnier said in his press statement today.

"Although this matter is undoubtedly one of the most important policy issues faced by any actual or prospective government, the FNM has conveniently and cautiously totally disregarded implications of the constitutional provisions of the Bahamas constitution with regard to rights granted to Haitians within the jurisdiction of this Commonwealth," Mr Regnier said.

"The FNM has in the meantime valiantly championed the rights of certain selective immigrationally problemated non-Bahamians, none of which like the Haitians, were actually born in the Bahamas," he said. "It does not take much recollection to vividly envisage the D'Arcy Ryan debates in the courts and in the international press."

"For this reason," said Mr Regnier, "I am shocked at Mr George Wilson's reaction to the Prime Minister's interpretation of the constitution regarding Haitians."

"He sought for obvious political and selfish intentions to make a political issue of the inalienable rights of these Haitian-parented Bahamians," the lawyer said.

Mr Regnier said that it does not take a constitutional legal genius to support the Prime Minister's view and that any legislative draughtsman using any interpretation rule must conclude without hesitation that the constitution stipulates that Haitians born in the Bahamas

before 1973 are citizens and those born in the country after Independence are entitled to Bahamian citizenship.

"The regularization of the status of these people in accordance with the provisions of the constitution does not amount to a sinister and diabolical plot as alleged by Mr Wilson, but simply compliance with the supreme law of this country which expressly granted them this right," Mr Regnier said.

He said that if the Haitians are regularized and registered, it will be open to them to vote as Bahamians for the party presenting the optimum appeal to their good political judgment.

"There is no reason to believe that these people will be subject to manipulation as alleged by Mr Wilson," Mr Regnier said. "It is now open to the FNM to appeal to their prospective or actual political judgment and discontinue the present callous paranoia which is obviously polarising this society."

He said that if the matter is discussed at political meetings, politicians should not make statements referring to such Haitians as non-Bahamians because the constitution says they are not.

Mr Regnier said that right to citizenship was granted to Haitians born in the Bahamas consciously when the nation was confronted with the heavy costs of creating a diplomatic service as well as para military establishments.

He noted that economic and social development was urgently needed and in addition, there existed a psychological drive for national prestige symbols, airlines, costly government buildings and hotels.

"The initial imperative task was how to build and maintain national unity, how to weld disparate and antagonistic religious, cultural and ethnic groups into one," he said. "This was the context in which these people were granted rights to Bahamian citizenship."

He said that the Haitian and Bahamian Governments, confronted with similar hopes and fears, have under the circumstances diplomatically

met to attack economic backwardness, poverty, disease and other problems arising from the immigration situation.

"These attempts have so far hardly fulfilled expectations, but there is hope," he said.

He queried whether the recent position of the FNM means that they are disposed to remove entrenched rights to Bahamian status granted by the supreme law of the country and whether the FNM intends to remove the Bahamian status of the Prime Minister.

"After all, he was referred to by Mr Wilson as not a full Bahamian trying to make an alliance with other non-Bahamians (Haitians) in order to stay in power," Mr Regnier said. "The conscience of the FNM has simply started to take its full toll."

He said that the Bahamian constitution represented a victory for a non-violent civil rights movement under the PLP government and for the liberal forces which had responded to it.

He said that the institution created by the constitution were intended to be democratic and responsive to public demand and can act as vehicles for effecting social changes desired by the public.

According to Mr Regnier, it was approved by the duly elected representatives of the people so consequently, the Bahamian people agreed to grant citizenship to the people

in question "and neither Mr Wilson nor any other person should deny them this right, the result of the democratic process."

"Those who refuse to be bound by the established political processes endanger the rights of all citizens and threaten to replace them with anarchy and totalitarianism," Mr Regnier said.

He asked what test does the FNM use to determine citizenship if the constitutional formula is totally ignored.

"Perhaps the FNM might be disposed to deport the Arawak who came to the Bahamas from Haiti and the other southerly islands," he said. "If the FNM wants to be taken seriously by the young people of this nation, such childish attacks should be avoided."

"This issue has received an excessive amount of publicity lately and it is with great humility that I find myself compelled to respond to unwarranted attacks against the Haitian community," he said. "Now that the main issues have been discussed, it is hoped that this matter will be put to rest once and for all."

"In the meantime, -I am genuinely curious of the official view of the FNM. Surely it is political suicide for any party to ignore the Haitian ethnic group as far as the political future of the country is concerned," Mr Regnier said.

#### FNM Rejoinder

Nassau THE TRIBUNE in English 9 Mar 85 p 1

[Text]

FNM ACTION Group chairman George Wilson says that lawyer Elizier Regnier has misrepresented remarks he made about regularizing the status of Haitians born in the Bahamas before independence, 1973.

Earlier this week Mr Wilson had expressed fears that Prime Minister Sir Lynden Pindling after 18 years inaction had suddenly decided to regularize the position of Bahamian-born Haitians in order to manipulate the next general elections.

Mr Regnier replied that it would be political suicide for any party to ignore the Haitian ethnic group as far as the political future of the country is concerned. He referred to Mr Wilson's remarks as an "unwarranted attack" on the Haitian community.

Mr Wilson said that he and Mr Regnier both agree that persons born in the Bahamas ought to be citizens irrespective of parentage.

He said it is logical to assume that persons in this category

need not have their status regularized as they are automatically regularized by the Constitution.

It therefore follows, he said, that those who need to be regularized are those who are not born in the Bahamas.

This, he said, is where Mr Regnier's arguments fall short.

"His arguments would mislead to the belief that all Haitians in the Bahamas fit into the category of those guaranteed status by the Constitution, while the vast majority do not in fact fit into that category.

"Haitian-Bahamians born in the Bahamas need only take their birth certificates to register to vote while all others would not be 'regularized' in order to vote," Mr Wilson said.

He said that this seemed to be the focus of the political scheme and his chief concern.

"Mr Regnier's statement not only betrays a good understanding of the Prime Minister's feelings and objectives in this matter, but also displays an intimacy with PLP sloganizing," Mr Wilson claimed.

He pointed to Mr Regnier's remark that accused the FNM of championing the rights of "certain selective immigrationally problemated non-Bahamians" and that it did not take a very good memory to

recall the D'Arcy Ryan case.

Mr Wilson said Mr Regnier "must know that Mr Ryan hired a lawyer to put his case in the court and the FNM never represented Mr Ryan in court."

Mr Wilson said he has never heard of a single citizenship case being taken before the courts by Mr Regnier "on behalf of one of these persons for whom he argues in the newspapers."

As far as the remark about an "unwarranted attack" on the Haitian community is concerned, Mr Regnier was challenged to quote one statement by Mr Wilson that could be regarded as anti-Haitian.

So that Mr Regnier would clearly understand his position, Mr Wilson made the following statement.

"A Prime Minister, who I at one time supported, has brought my nation to shame and disgrace.

"He does not have the decency to step aside so that we can clean up this country of his 'solid rocks.'

"Our country, and I include you, Mr Regnier, can take no more of Pindling's programmes and plans. And we will not allow Mr Pindling, nor any mercenary on his behalf, help him to secure the chains once again."



BAHAMAS

# BCPOU OFFICIAL CLAIMS DISSIDENTS BRING SCORN ON UNION

Nassau THE TRIBUNE in English 13 Mar 85 p 7

[Article by Anthony Forbes]

[Text]

THE Bahamas Communications and Public Officers Union's leadership has been publicly embarrassed and the organization brought into public scorn, ridicule and contempt by the action of "dissident elements" within the union, the BCPOU's editor-in-chief Arthur Williamson has charged.

In a letter to the editor, Mr Williamson, who heads the BCPOU official publication, "Communique", also claimed that a number of reports which appeared in the Press in recent weeks are at best "generally misleading and, at worst, outright distortions." The reports questioned the management of union funds.

According to Mr Williamson's letter, which is dated February 28, the most recent of such reports appeared in the Tuesday, February 26 issue of The Nassau Guardian in a front-page article under the headline: "BCPOU leadership asked to resign, members declare."

In January, both Mr Nesbitt Higgins, union treasurer for seven years, and Dr Samuel Wilkinson, auditor for 11 years, resigned their posts within the union.

Although union president Keith Archer has not issued a statement on the matter, The Guardian reported last week that some union members had alleged that about \$89,000 in union funds had been misap-

propriated.

On Friday Dr Wilkinson sent the following telegram to The Tribune for publication. The telegram was for the attention of Mr CC Turnquest, Ministry of Labour: "As the former auditor BCPOU I request that you call in the books of the union and have them examined by Government auditors. Mr Turnquest Ministry of Labour Nassau."

"It is understood that, in its initial approach to this matter, the Executive Board of the BCPOU, taking all things into consideration, decided that the best interest of the union and its membership would not be served by publicly discussing whatever problems may exist within the organization," Mr Williamson wrote.

"The premise was that this was essentially an internal matter affecting only the membership of the BCPOU," he said. "It did not affect the public interest. It was no concern of the public and it ought to be dealt with internally by those directly concerned and who are best able to deal with it - that is, the membership of the BCPOU."

However, Mr Williamson said, from the very beginning when the matter first surfaced, the motives of certain elements within the union, and their actions inside and outside the organization, became questionable.

"The impression was that

they were more interested in pursuing a personal vendetta to its ultimate conclusion at any cost, than with trying to find a solution to the existing problem, with the least possible damage to the organization and its effectiveness in dealing with the powers-that-be on behalf of its membership," he said.

"In short, these elements seemed determined to make a public issue of the union's business, irrespective of its effect on the organization, by surreptitiously leaking certain information and internal union documents in their possession to certain outside parties in pursuit of whatever objective they had in mind," said Mr Williamson.

"As a consequence, not only has the union's leadership been publicly embarrassed, but the BCPOU itself has been brought into public scorn, ridicule and contempt, which is the only objective that could have been accomplished by such action, and which is something no member who has the best interest of their organization at heart would wish to see happen," he added.

He then addressed certain issues raised in The Guardian's article of February 26 in the "interest of setting the record straight."

He said although the identities of the "core group of members" who took the matter to the press were not revealed, there is every reason to believe they are composed basically of certain prospective candidates who have formed themselves into a dissident slate to oppose the present leadership in the forthcoming elections.

He also said that these dissidents have been actively on the campaign trail for some time. He claimed that their use of The Guardian was the latest move in their ongoing campaign.

Dealing with the question of elections, Mr Williamson said that contrary to the report given The Guardian, there is no record of the general membership at any time asking for general elections or for Mr Archer to resign.

"In fact, the only calls for anyone's resignation and for

general elections have been made by certain self-serving elements," he said. "They have even called for the suspension of the current Batelco contract negotiations, but this was rejected outright by the general membership."

He said that it is also understood that the arrangements to deal with the findings of the committee investigating the union's finances, were made by the committee and were recommended to the Executive Board by the committee and accepted by the Board.

"The committee's findings were subsequently presented to the general membership and the recommended arrangements were approved by the general membership with some minor amendments," Mr Williamson said.

"For all intents and purposes," he added, "it was generally felt that, with this action by the general membership, the matter had been duly and satisfactorily dealt with. But apparently not so as far as the Guardian's informants are concerned."

Furthermore, he said, contrary to the impression given by The Guardian's informants, it is understood that the Executive Board fully supported the work of the committee as a means of dealing with the matter within the organization, and the decision to disband the committee was not as a result of any action by the Executive Board.

"In fact, the Executive Board was reportedly informed that, because certain information and union documents, in possession of certain members of the committee, had been turned over to the police, it was decided that the committee could serve no further useful purpose and it was disbanded," Mr Williamson said.

"In the final analysis, like other organizations, the BCPOU has had its trials and tribulations," he said. "In fact, it may have had more than its share. But what is most unfortunate is that there are those who would ruthlessly exploit such trying times for their own personal gain and at the expense of others."

He said that the present

leaders of the union, as human beings, are not infallible and are subject to make mistakes from time to time.

"But the record would show that, under their leadership, the BCPOU, although only the fourth largest union in the country and one of the youngest, has become recognized nationally and internationally as a pace-setter in the field of labour, providing its members with many firsts in benefits and representation second to none," he said.

"Their record speaks for itself and members of the union will be guided accordingly on the day of reckoning," Mr Williamson concluded.

CSO: 3298/488

BAHAMAS

## CHAMBER OF COMMERCE STARTS 'CRIMESTOPPER' PROGRAM

Nassau THE TRIBUNE in English 5 Mar 85 p 1

[Text]

A "Crimestopper" tipster-reward programme, similar to ones which have proved very successful not only in nearby Florida but throughout the United States, has been established jointly for Nassau and all New Providence by the Bahamas Chamber of Commerce Crime Prevention Committee and the Royal Bahamas Police.

The Chamber has raised over \$9,000 from the private sector to establish the basis of a perpetual fund to provide money to pay anonymous tipsters. As this is depleted through payment for tips which prove fruitful, the Chamber will procure additional funds from its members.

At a press conference held yesterday at the Chamber's offices, William Wong, Chairman of the Chamber's committee, and Supt Allan D Gibson, officer in charge of the Police Crime Prevention Division, announced the mechanics of the operation, which will be in effect as of today.

- A special direct line, phone number 6-6466, has been installed at CID headquarters, Thompson Boulevard. This telephone will be manned 24 hours a day, seven days a week. It does not connect with the Police switchboard and cannot be intercepted by any extension.

- Persons with knowledge of any crime may call this number at any time. The caller must not divulge his or her name or address to the officer taking the call. The officer will give the

anonymous caller a serial number which will be his or her only identification, ever. The caller must write it down and keep it in a safe place in order to collect a reward if he or she earns one. Only the caller's assigned number will be filed with the police description of the specific crime involved, the information relative to the crime furnished by the caller, and the date and time of the call.

- If a suspected perpetrator is charged with the crime, the value of the tipster's information will be evaluated by the Police on a scale of 1 to 10. A Grade 1 tip will earn the tipster \$100. This will scale up so that a Grade 10 tip will earn the tipster \$1,000. The more essential the tipster's information has proved to be in furnishing the Police grounds to make a formal charge to the courts, the greater the reward to the anonymous tipster.

- If a suspect to any crime is apprehended and charged in court by the Police on information based on a "Crimestopper's" anonymous 'phone tip, the police will include that fact in its daily routine release to the newspapers and ZNS, listing persons charged that day. The press report will carry some such phrase as "... charged in Magistrate's Court today of breaking and entry. The police were assisted in this investigation by an anonymous tip to phone number 66466, the 'Crimestopper' private police number."

- When the tipster recognizes in the press that the crime he or she reported has resulted in arrest and formal charge, he or she should immediately again call 66466 and identify to the answering officer the secret number assigned when the report was first made. The officer will inform the caller the amount of reward assigned for this tip and refer him/her to the Chamber. The caller will then arrange with the Chamber how he or she wants to receive the cash award without disclosure of his or her identity. The reward money will be furnished by the Bahamas Chamber of Commerce.

CSO: 3298/488

22 April 1985

## BAHAMAS

## BRIEFS

TOURISM INCREASE--VISITORS arriving in the Bahamas in January totalled 185,280, an increase of 19.7 percent over the 154,740 that arrived in January last year. The totals in Grand Bahama and New Providence for January were up 30.9 percent and 22.9 percent, respectively. There was an increase in cruise ship passengers for both islands. In the Family Islands visitor arrivals of 14,800 were down 20 percent from the 18,500 in January last year. Figures for Cat Cay are not yet available. A Ministry of Tourism spokesman said that statistics provided by the Immigration Department are a head count of all foreign visitors and transit arrivals excluding ship crews, diplomatic personnel and returning residents. [Text] [Nassau THE TRIBUNE in English 5 Mar 85 p 1]

SUIT AGAINST TRIBUNE--LAWYER Nigel Bowe today issued a writ against The Tribune, its editor and one of its reporters to stop further publication of any information about him in connection with the Turks Island drug conspiracy case. Mr Bowe claimed damages for libel, which he alleged was contained in an article published in The Tribune on Wednesday, March 6, under the heading "Vesco, Nigel Bowe named in Turks Island Connection." Mr Bowe did not say in what way he was libelled, nor did he state what his specific complaint was. Mr Bowe's name was mentioned in the report on the arrest of Turks Island's Chief Minister Norman Saunders, Minister of Commerce and Development Stafford Missick, Aulden "Smokey" Smith, a member of the 11-member Legislature, and Canadian Andre Fournier, a resident of George Town, Exuma. The Tribune had reported that in an affidavit filed with the US federal court in connection with the case, the name of Nigel Bowe had been mentioned. Mr Bowe has applied for an injunction to prevent The Tribune from writing, printing or circulating "or otherwise publishing of the plaintiff the said or any similar libel." The writ has been issued against The Tribune, Editor/Publisher Eileen Carron and reporter Athena Damianos. Mr Joseph Hollingsworth represents Mr Bowe. Mr Orville Turnquest represents The Tribune. [Text] [Nassau THE TRIBUNE in English 8 Mar 85 p 1]

CSO: 3298/489



BARBADOS

FIGURES SHOW 1984 INCREASES IN BOTH EXPORTS, IMPORTS

Gross Totals

FL251800 Bridgetown CANA in English 2136 GMT 24 Mar 85

[Report by Irvine Reid]

[Text] Bridgetown, 24 Mar--Barbados recorded a near 70 million dollar (one Bds dollar; 50 cents U.S.) increase in exports last year, but at the same time its imports were up by 110 million dollars against the 1983 trading position, according to figures released by the Barbados Statistical Service (BSS).

Barbados sold 787.4 million dollars worth of goods last year and imported 1,327 billion dollars worth. In 1983 Barbados exported 717.4 million dollars worth of goods and imported 1,217.3 million dollars worth.

The state-run Export Promotion Corporation (EPC) said there was a substantial increase in re-exports--67.9 million dollars or 50 percent above the 1983 level. This, it said, was mainly responsible for the growth experienced in total exports.

The increase in re-exports of oil to Guyana was the major determinant of the growth in re-exports in 1984, the ECP said.

The major domestic exports and imports categories were machinery and transport equipment, miscellaneous manufactured articles and food and live animals.

The corporation said that domestic exports to the Caribbean Community (Caricom) experienced a reduction from the 1983 level. In 1984 they declined to 102.1 million dollars from 122.1 million dollars the year before--in percentage terms 16.4 percent. The reasons for this decline can be seen on examining Barbados' domestic exports to Jamaica, and Trinidad and Tobago, the corporation said.

Domestic exports to Trinidad and Tobago decreased by 14.4 percent to 68 million dollars while domestic exports to Jamaica fell dramatically by 53.8 percent to 8.5 million dollars.

Total exports to Caricom increased about 63 million dollars to reach 178 million dollars. This was also due in large part to the substantial increase in re-exports of oil to Guyana.

Domestic exports to non-Caricom countries rose to 481.6 million dollars and total exports to 609.4 million dollars. In percentage terms these were increases of 4.8 and 5.7 percent, respectively.

The United States continued to be Barbados' major trading partner and last year it took 42.5 percent or 204.8 million dollars of the country's domestic exports to extra-regional markets.

Electronic components sold to the United States accounted for 135 million dollars, garments for 42 million dollars, furniture 29.4 million dollars, sugar 5.5 million dollars and rum 1.6 million dollars.

The corporation said that 217.2 million dollars, or 35.6 percent, of total exports to extra-regional markets went to the United States.

The European Economic Community (EEC) took 61.6 million dollars or 10.4 percent of total exports to extra-regional markets.

The United Kingdom imported 51.8 million dollars worth of sugar and 433.700 dollars of rum.

#### Caricom Surplus

FL260028 Bridgetown CANA in English 2126 GMT 25 Mar 85

[Report by Irvine Reid]

[Text] Bridgetown, 25 Mar--Barbados recorded a 23.1 million dollar (one Bds dollar; 50 U.S. cents) 1984 trade surplus with its Caribbean Community (Caricom) partners, according to figures issued here by the government's statistical service.

Last year Barbados sold Caricom 177.9 million dollars worth of goods and imported 154.8 million dollars. This overturned a 12.7 million dollar deficit in 1983, when restrictive trade measures by some Caricom countries started to bite.

The surplus was masked, however, for it was almost entirely due to a dramatic rise in re-exports of oil to Guyana. From last April, Barbados was used as the transshipment point for fuel for Guyana's bauxite industry. Previously the oil was shipped from Aruba via Trinidad and Tobago.

The island actually widened its trading deficit at the end of last year with traditional major Caricom trading partners Trinidad and Tobago and Jamaica.

Barbados' exports to the twin island republic declined 9.6 million dollars from 84.2 million dollars in 1983 to 74.6 million dollars last year. Imports also dropped but by 1.2 million dollars moving from 114.3 million dollars to 113.1 million dollars.

Exports to Jamaica dipped from 19.8 million dollars in 1983 to 10.1 million dollars last year while imports rose by 1.2 million dollars from 22.4 million to 23.6 million dollars.

Barbados exported 52.7 million dollars to Guyana in comparison to the meagre 2.9 million dollars in 1983.

The present contract for transshipment is expected to end in December 1985, according to the Ministry of Trade. Guyana makes its payments to the Esso Oil Company's North American office and foreign exchange gains to Barbados result only from handling and storage fees, according to the ministry.

Barbados' imports from Guyana last year were put at 6.4 million, increasing from 4.6 million dollars in 1983.

Exports to the Bahamas, which is not a member of the Caricom Common Market, reached 2.1 million dollars moving from 1.9 million dollars in 1983. Imports from the archipelago dropped from 892,557 dollars in 1983 to 89,198 dollars last year.

Barbados sold Antigua and Barbuda 6.3 million dollars in goods last year as against 4.1 million in 1983 and imported 2.1 million last year compared with 2.2 million dollars in 1983.

The island recorded surpluses with Dominica, Grenada, St Kitts and Nevis, St Lucia, and St Vincent and the Grenadines and Montserrat.

CSO: 3298/525

22 April 1985

## BARBADOS

## ST JOHN ADVISES MANUFACTURERS TO SEEK NEW MARKETS

Port-of-Spain TRINIDAD GUARDIAN in English 29 Mar 85 p 4

[Text] **BRIDGETOWN, Thurs., (Cana):**  
**PRIME MINISTER** Bernard St. John told Barbados manufacturers yesterday to look to new extra-regional markets for future export growth.

Addressing the State-run Barbados Export Promotion Corporation's (BEPC) annual conference, he said trade problems reflected in contracting Caribbean Community (Caricom) markets meant that Barbadian manufacturers have no alternative but to look to new extra-regional markets for future export growth.

He said there was little hope of a dramatic increase in exports to oil-rich Trinidad and Tobago — Barbados' main trading partner in Caricom — or to Guyana and Jamaica because of the countries' economic problems.

Even the most superficial look at the realities of the Guyana and Jamaica situations suggest many more years of economic turbulence before they can again provide a free market for Barbadian exports, he remarked.

He said that even if the current trade barriers with Trinidad and Tobago were removed tomorrow, Barbadian exporters would still be faced with a reduced retail market, now estimated at between 20 to 40 per cent below the 1983 figure.

"It would therefore be unwise for

any of you to expect a resumption of the pre-1983 export growth rates to the twin-island republic, quite apart from the danger of once again growth overly dependant on a single, small market," Mr. St. John said.

Mr. St. John said the Barbados Government wanted to see local manufacturers achieve significant export success in North America and Europe in the shortest possible time.

He added: "Successful breakthroughs in these markets will not only provide additional foreign exchange to complement the improving performance of the tourism and sugar sector, thereby expanding the 2.6 per cent growth we experienced in 1984, but will serve to be a major source of employment in a situation where the sugar industry is becoming increasingly mechanised and the tourist plant has just about reached saturation point."

The Prime Minister recommended collaboration between Barbadian and other Caribbean exporters to penetrate extra-regional markets.

"I believe that joint action between firms of two or more Caribbean countries may become a prerequisite to successful exploitation of extra-regional markets, particularly under Lome and the Caribbean Basin Initiative (CBI), he said.

BARBADOS

ST JOHN PRESENTS 1985-1986 SPENDING, REVENUE ESTIMATES

Bridgetown THE NATION in English 13 Mar 85 p 3

[Text] GOVERNMENT HAS PROJECTED an increase of \$68 515 528 million in capital expenditure for the coming fiscal year.

According to the draft Estimates for 1985-86 laid in the House of Assembly yesterday by newly appointed Prime Minister Bernard St. John during a brief seven-minute sitting, the money will be used to finance continuing projects and for the commencement of new projects.

They provide for an estimated capital expenditure of \$179 915 528 million compared with the revised Estimates 1984-85 of \$111 400 000.

This expenditure is classified as follows:

General Public Services — \$37 316 682  
Defence and Security — \$7 023 000  
Education — \$14 482 335  
Health — \$7 287 886  
Security and Welfare — \$2 605 000  
Housing and Community Amenities — \$13 452 000  
Other Community and Social Services — \$7 839 885

## ESTIMATES AT A GLANCE

### PART I — CURRENT ESTIMATES:

Estimated Expenditure ..... \$642 799 318  
Estimated Revenue ..... \$625 442 674  
Estimated Excess of Current Expenditure over  
Current Revenue ..... \$17 356 644

### PART II — CAPITAL ESTIMATES:

Estimated Capital Expenditure .. \$179 915 528

Economic Services — \$89 908 740. — been placed at \$625 442 674, which represents an increase of 4.9 percent over the projected revenue for 1984-85 which was \$571.8 million.

Of the \$179.9 million, the largest slice will go to the Ministry of Transport and Works — \$43 839 085, an increase of \$34 068 978 over the figure of \$9 770 107 in the revised Estimates of 1984-85 — mainly for Government's island-wide highway improvement programme.

Current expenditure has been projected at \$642 799 318, an increase of 13.3 percent over the approved Estimates of 1984-85, which were \$567 368 692.

Of that figure, education has maintained its place at the top of Government's priorities, accounting for some \$143.5 million.

Projected current revenue has

Taxes on incomes and profits are expected to realise the biggest portion of Government's projected income — \$218 million, followed by taxes on goods and services — \$174 417 742.

Estimates for the Post Office, which are annexed to the current Estimates, show a projected revenue of \$9 997 550; an increase of 10.3 percent of \$934 930 over the figure of \$9 062 620 for the year 1984-85.

The estimated expenditure of \$10 317 606 is \$1 389 103 over the amount of \$8 926 503 for 1984-85.

BARBADOS

U.S., BRITAIN HIT FOR STAND ON UNDP ASSISTANCE POLICY

Bridgetown THE NATION in English 13 Mar 85 p 4

[Editorial]

[Text]

JUST BEFORE Tom Adams died, the United Nations Development Programme let it be known that Barbados would be subjected to revised rules covering the grant of assistance from that source. The effect of the revision would be to make it harder for Barbados to obtain funds for development projects on the grounds that its per capita income puts it out of the category of poor country.

The cut-off figure of US\$3 000 has been mentioned and under the proposed plan any assistance given to countries whose incomes fall above that figure would have to be repaid. The inference to be drawn from this decision is that the level of US\$3 000 per annum is regarded as adequate and that a country which can meet this statistical target needs no aid.

Barbados, like many other small Caribbean countries, has its share of poor people whose annual incomes do not reach the level of US\$3 000 which they would regard as substantial, but it has to be remembered that the figure is only a statistic which can mean that the presence of a few very wealthy persons in the population can weigh the scales against us.

If a country is required to even out the incomes of its people, it may be driven to take the kind of action which is not only almost certain to fail, but is also of the kind which the main donors to the development agency funds do not like.

Do these countries, Britain and the United States, which are reported to be strongly supporting the proposal which would make Bar-

bados ineligible for grant assistance, do they want the developing countries to improve their standard of living or don't they? Are they saying that a system of national health service and social security and the other attributes of government care in developed countries is too good for the likes of Barbados? Are they saying that enough is enough and we must not expect to advance beyond a certain statistical level with our help?

It is true there are countries whose needs are more numerous and more acute than our own, but we are far from sure that what is denied us will be diverted into their economies.

We must look realistically at the world around us. Success in the management of one's affairs often leads to warnings about the dangers of over-ambition. If nothing succeeds like success, care must be taken to ensure that that success is self-secured.

The Barbadian diplomatic representatives at the United Nations are arguing our case in the hope that the restrictive proposals may be reversed. It will be as well if, while they are arguing, some suggestion is made to the home population that the army of that restriction is being massed against us and that we shall have to look to ourselves for our salvation and not to the generosity of international agencies.

CSO: 3298/506



BARBADOS

ADAMS COMMENTS ON ECONOMY, FOREIGN RESERVE, POLITICS

Bridgetown SUNDAY ADVOCATE in English 10 Mar 85 p 1

[Article by Patrick Hoyos]

[Text]

By Patrick Hoyos

PRIME MINISTER Tom Adams said Friday night that Barbados has four months worth of foreign reserves in the Treasury for the first time, and that this past week alone the Central Bank took in US\$7¼ million (Bds\$15 million) in foreign currency, mainly through tourism.

He said the BLP's political opponents used to laugh when he stressed the need to raise the level of foreign reserves, but it was good management of the economy to do so.

Speaking at a "farewell" tribute for Mr. Lionel Craig, during a St. James North constituency branch meeting, Mr. Adams admitted that there is high unemployment in the country, but said Government was now in a position to do something about it "in the next 12 months, or however many are left before we must give an account of ourselves."

General elections are constitutionally due by July next year.

After nearly two decades of representing St. James in the House of Assembly, Mr. Craig will challenge Mr. Erskine Sandiford of the Opposition Democratic Labour Party (DLP) for

the St. Michael South seat. Mr. Adams told his large audience that the parishes of St. Michael and Christ Church currently elected 15 of the 27 members of the House, and Mr. Craig was concerned that the party's image be supported in that "metro" area by some of its senior members like himself.

He said that it was possible that the Boundaries Commission might even recommend adding another seat to the "metro" area because of its increasing population.

He said that while some people might suggest that the BLP should not try to dislodge certain DLP MPs, as far as he was concerned, "we are in politics to win." It would be up to the electorate to choose between the candidates.

"There is no question of letting up on anyone in the next general election," he said, noting that Mr. Craig had long selected Mr. Sandiford as the opponent he wants to face next time around.

Mr. Adams also hinted at the meeting that his Government may soon announce improvements in unemployment benefits.

Minister of Information and Culture, Senator Nigel Barrow will seek the nomination to represent the BLP in the St. James North constituency at the next elections.

BARBADOS

ADAMS REPORTS ON DETAILS OF DISCUSSIONS IN JAPAN

Bridgetown BARBADOS ADVOCATE in English 1 Mar 85 p 1

[Text] Prime Minister Mr Tom Adams said yesterday he signed documents during his recent trip to Japan for loans to Barbados totaling approximately US\$19 million (five billion yen).

Speaking at his first press conference since returning to the island from trips to Japan and Jamaica, Mr Adams, who made the trip to Japan in his capacity as minister of finance, said that the money would be in the form of a short-term or "bullet loan," repayable after 5 years in large amounts, but at a low rate of interest.

To get the loan the Barbados Government issued bonds to Nicoh Securities and the Industrial Bank of Japan.

Mr Adams said he also suggested to the Japanese that they take out leases in some government-owned estates in Barbados for the purpose of growing Sea-Island Cotton. Barbados currently supplies less than half the amount of Sea-Island Cotton that the Japanese are willing to buy from the island.

The general concept has already been put into practice by the Japanese in Jamaica where they grow coffee beans for Blue Mountain Coffee.

Mr Adams said that Japan had become more aware of the great imbalance of trade, currently about US\$26 million, which exists between itself and Barbados.

"I told them they should buy more of our products and invest more in Barbados," he said. "I emphasised the need for equity."

While in Japan, Mr Adams said, he met a group of businessmen who were selling Trivial Pursuit, a popular board game, to the Japanese. "Few people know that the company which makes Trivial Pursuit is incorporated right here in Barbados with rights to sell the game everywhere in the world except North America," he said. Their presence in Japan was, he said, "a tribute to our offshore regime."

Asked about the government's attitude toward Japan's illegal fishing in Caribbean waters, Mr Adams conceded that the matter was still a "bone of contention," between Japan and the Caribbean nations. He said that a solution would be to clearly define and claim a 200-mile economic zone in the waters surrounding Barbados, based on maps drawn up by British technicians in 1978.

"But we also have to accept that we may be as guilty as any other nation in terms of fishing in other nations' zones," Mr Adams said.

BARBADOS

# TRADE MISSION SEEKS 'TWIN-PLANTING' STEPS IN PUERTO RICO

Bridgetown THE NATION in English 4 Mar 85 p 10

[Text] MINISTER OF TRADE, BERNARD ST. JOHN, left with a trade mission for Puerto Rico last night, with the hope of getting some of the \$1 400 million allocated by the governor of the country for twin-planting.

The money was set aside by Governor Rasael Colon in an effort to boost his country's production.

Presently, Intel (Barbados) Limited is a twin operation with a Puerto Rican company.

Twin-planting, a new concept of twinning, seeks to take advantage of technology and labour in the hope of reducing cost. Puerto Rico has high technology and Barbados is labour intensive. The combination of the two countries turns out a much cheaper product at a certain level of production.

According to a source connected to the mission, Barbados, while its sights are set on

twinning in the electronic industry, "will also be looking at other areas and to what extent we can work with Puerto Rico".

The source also disclosed that this mission "will repay the courtesy of an earlier mission from Puerto Rico and will permit members the opportunity of investigating opportunities in several areas".

Some of the other areas which the mission will be examining are development financing, joint ventures and import and export trade. The mission is hoping to conduct discussion with the Economic Development Administration, the equivalent here of the Industrial Development Corporation.

Members of the team will be drawn from the Export Promotion Corporation, Barbados Development Bank, Barbados Manufacturers Association, the Central Bank of Barbados, the Chamber of Commerce and Industry, and the Industrial Development Corporation.

CSO: 3298/506

BARBADOS

TAITT CRITICIZES POOR RELATIONS WITH TRINIDAD-TOBAGO

Bridgetown BARBADOS ADVOCATE in English 13 Feb 85 p 3

[Text]

Opposition Parliamentarian Mr. Branford Taitt has claimed that the worst relations Barbados has ever had with any country exist between itself and Trinidad.

Mt. Taitt told the House of Assembly yesterday that such bad relations were because of certain public utterances by Prime Minister Tom Adams with regards to the High Commissioner of Trinidad and Tobago to Barbados. (Trinidad has not had a High Commissioner in Barbados since late 1983 while Barbados does not yet have a High Commissioner in Port-of-Spain).

Mr. Taitt also questioned the relations between Barbados and Trinidad as they related to Trinidad's national airline, BWIA.

He charged that there was a systematic decline in the relationship between Barbados and other regional countries. He added that the biggest failure in foreign policy was in the lack of economic benefits, particularly over the last five years.

Mr. Taitt charged that there was corruption in some of our overseas diplomatic offices and also questioned how are the posts in some of these offices, such as New York, filled.

CSO: 3298/506

BARBADOS

## BARROW OUTLINES POLICY VIEWS, SCORED FOR 'FLAWS'

Radio Interview

Bridgetown THE NATION in English 25 Feb 85 p 24

[Text]

**STOP ABUSING** other governments, open dialogue within the Caribbean community (CARICOM) at heads of Government level, look for more innovative forms of manufacturing and speed up agricultural diversification while allowing the sugar industry to phase itself out.

Those were some of the measures advanced yesterday by Opposition Leader Errol Barrow as possible ways of improving the state of the economy and creating employment.

He was responding to questions on the radio programme, Ellis and Company, on Rediffusion and Voice of Barbados, from Voice of Barbados' current affairs chief, David Ellis; NATION Editor-in-Chief, Harold Hoyte and CBC Radio's Deputy News Editor, Sandra Baptiste.

### DLP APPROACH

After speaking about the approach his party would adopt to manufacturing if it was in power, Mr. Barrow suggested that the Tom Adams administration "stop abusing other governments" as "a step in the right direction" toward getting trade flowing again.

"I maintain open dialogue as Leader of the Opposition — not subversive in any respect — with all the Caribbean governments, and when I speak to them, whether on the telephone or face-to-face, I tell them I want them to remember I am a Barbadian and I am speaking as a Barbadian and I do not care what their quarrels may be with the

present incumbent or Government of Barbados.

"We have young people who need jobs and therefore you must strive to do something about the restrictions which you have put on our imports. This is my approach all the way through.

"It took something like seven years before we had a heads of Government conference. When Dr. Eric Williams, Mr. Michael Manley and I were in government at various times, we used to have two meetings a year of heads of governments — not low-level, low-keyed or people from a board or something like that, or mounting an expensive delegation to other countries — but at a very high level," Mr. Barrow said.

He also said that less emphasis would have to be placed on the traditional forms of manufacturing and greater emphasis on innovative industries. He said that concentration should not be placed on industries that are being phased out, but declined to identify these, so as not to "spread despondency".

However, the former Prime Minister made some very definitive statements on agriculture and how diversification should be applied.

"I feel that sugar is a dying industry and therefore we will have to prop it up for as long as possible. It is clear that sugar is not a tropical product and it is being produced more cheaply in the European countries.

"Our plan (the DLP's) would have been to continue diversification. They are now rediscovering cotton. They are now rediscovering that we can plant things like sweet peppers, yams or breadfruits and things

like that. We at one time used to supply the whole Caribbean for at least four months a year in carrots and onions. They have not rediscovered carrots yet, but they are beginning to rediscover onions.

### CLOSED DOWN

"They closed down the Barbados Marketing Corporation's (BMC) most enterprising operation ... they closed down the shrimp industry and turned the boats into military vessels. All these things we have been through already, and should have been carried on ..."

Questioned further on sugar, Mr. Barrow said: "The sugar industry is phasing itself out. Nobody will have to phase it out. You don't shut it down, but you certainly do not build new factories in an industry that is dead. That \$30 million spent to build Portvale would have been better spent on keeping Searles or Lower Estate open at one tenth of the cost."

## Election Issues

Bridgetown THE WEEKEND NATION in English 1-2 Mar 85 p 8

[Article by Neville Martindale]

[Text]

LAST SUNDAY EVENING'S AIR-PLAY — 74 minutes — of his most recent Press conference must have gladdened the heart of Opposition Leader Errol Barrow. This turned out to be, in some way, part of a fulfilment of Mr. Barrow's request for equal broadcasting time with the leader of the Barbados Labour Party (BLP), Prime Minister Tom Adams.

For in the Rediffusion and the Voice of Barbados (VOB) radio programme, Ellis And Company, Prime Minister Adams' Press conference, the first in the programme, had equally been given 74 minutes on the air.

It was at his very first meeting with the Press this year, on January 25, that Mr. Barrow described Prime Minister Adams' New Year's Message as "anything but a straightforward party political broadcast". At the same time, the Opposition Leader said that in so far as the Government wished to put over a point of view, the Opposition certainly should be given equal time.

At last week's Press conference, the Opposition Leader repeated much of what he said on January 25, and sailed his ship comfortably through calm waters.

His style was easy and smooth; white unlike when he met reporters in the 1960s, when he was the head of the Government. Press conferences during those years resembled some kind of confrontation when he disposed of reporters' questions with short shrift.

However, as the years have rolled on, he has become a much more mellowed politician with a wealth of experience and knowledge that command listenership, and sometimes even praise from Mr. Adams himself.

### CLEAR CORRUPTION

Mr. Barrow raised some general election issues relating to the approach of the Democratic Labour Party (DLP) that should be commented upon. On the question of paying for

votes, and having large sums of money to win elections, he has made it clear that this constitutes corruption and is against the DLP's basic philosophy.

It would, indeed, be a sad day when the vote can be bought in Barbados. Such a development would nullify the tireless efforts by our forefathers before the system of adult franchise was ushered into our political system.

But there is no doubt that the financial resources of a political party may determine victory or defeat; for the very nature of an election campaign means that money must be spent.

In one Caribbean country where a general election was held last year, the successful device for the government's defeat was money. The businessmen in that country, angered by what was called a Gross Turn-Over Tax introduced by the government, overlooked no opportunity in showing their complete disgust about this measure. Millions of dollars, according to reports, had been spent to throw out the government.

That may well show that when people are hungry, destitute, or unemployed, to dangle the dollar bill in their faces can be a grave danger to the true democratic process. But politics apart, money has today become the king pin of man's existence. The only thing that parallels that is intelligence, which again would breed the strong desire for money.

When a political party assumes power after a heavily financed campaign, from whichever quarter, it may well find difficulty in office to know who calls the tune when certain measures have to be implemented.

### WHO LEADS?

The perennial question of the leadership of the DLP was also raised with Mr. Barrow. It would be recalled that the last annual conference of the party, delegates unanimously voted for him to lead the party into the next general election.

This, Mr. Barrow is prepared to do. And he would be willing to become Prime Minister again if his parliamentary colleagues wished him to lead them and indicated to the Governor-General that he was the person best able to command a majority in the House of Assembly after the election.

Indications show that Mr. Barrow is moving in that direction. At 65 years of age, he is showing a renewed political vigour. And he is missing no opportunity in recent times to let the Opposition's views be known on the issues of the day. But as in everything, we have to look to the future and what it holds. Mr. Barrow made it known that he was willing to quit politics in 1971, but had been successfully persuaded by his colleagues in the DLP to stay on to keep the ship of state on an "even keel".

The coming election will present Mr. Barrow with the biggest challenge of his long and distinguished career as a leader. He led the DLP into three successful general elections — in 1961, 1966, and 1971.

Can he now afford to be leader and have the DLP defeated at three general elections? This question can prove to be his acid test, or sweet victory.

The struggle to capture the Government in the next general election has long begun. And politics in the coming years is going to be a very sophisticated business.

One does not have to be a deep dreamer to sense that with new developments, like around the Cardenage, with Marshall Hall, the new access road to link the west coast with the Grantley Adams International Airport, and other projects, that the next few decades will bear little resemblance to the Barbados we have known.

The political party that has the strongest identification with the future would most likely capture the imagination of the majority of voters. For in the years ahead, political decisions will be focused mainly on technology, employment and education. They will affect every living inhabitant of Barbados.



Furthermore, by pronouncing upon the demise of sugar he reinforced the negative message in his immortal "no cane blade speech" and showed that the recent positive statements on sugar by Dr. Richie Haynes and other DLP Parliamentarians was convenient political rhetoric and not a serious reversal in the party's long-standing unfavourable attitude to the sugar industry.

But even though the press has not so far pointed out these flaws in Mr. Barrow's presentation, they are factors which were quite readily spotted by the listening public who Mr. Barrow said had to catch up with the DLP's intellectual approach. Now the press must catch up with the public.

### Anti-BLP 'Myths'

Bridgetown SUNDAY ADVOCATE in English 10 Mar 85 p 4

[Article by Henry Christopher]

[Text]

FRUSTRATED by its ongoing inability to offer coherent and constructive alternatives to the BLP Government's policies, the Opposition DLP has been resorting to the practice of creating a number of negative myths in an attempt to detract from the achievements of the Adams administration.

In the course of the last eight years, a number of these anti-Barbados Labour Party myths have been exploded either by the success of the Government's policies or by the Democratic Labour Party completely reversing its attitude without admitting that it was wrong.

Examples of the latter instances have included the DLP's sudden embracing of the need for a viable private sector after having branded the BLP as "pro-white". Most recently, there has been the spectacle of the DLP's unconvincing effort to show that it stood squarely behind our sugar industry.

But among the anti-BLP myths still being proclaimed by the DLP is the one which holds that the Adams administration is a plaything of the American Government.

### Exponent

Chief exponent of this line for the DLP, has been its President and Opposition Leader, Mr. Errol Barrow. His most recent excursion into this area was during his now celebrated "Ellis and Company" interview on Voice of Barbados.

In the interview which raised more questions about Mr. Barrow's political suitability to continue to lead the DLP than it gave answers about the party's programmes and policies for the future, Mr. Barrow found time to reinforce this particular myth.

Replying to a question from host David Ellis as to what "exactly" did Mr. Barrow mean by his frequent reference to the need for Barbados to bring the Constitution home from Washington, he said: "Okay, what I mean by that is this. It appears to me that before anything can be done in Barbados, somebody in the Government has to go up to Washington and find out how they feel about certain things. Then before that person, or those persons, get back to Barbados, we have releases from New York of sometimes a startling nature, of what is going to be done in Barbados."

Now, as he seeks to portray the BLP Government as being at the beck and call of the United States Government, both Mr. Barrow and the DLP need to be reminded about a few historical facts and events.

As Barbados' first Prime Minister, Mr. Barrow will no doubt recall that it was his administration that took this newly independent country into membership of the OAS (Organisation of American States) which, from its inception has been widely regarded as a primary vehicle of American influence and control.

The public will no doubt remember too the outcry that was raised by those who voiced their opposition to Barbados in its infant sovereignty being exposed in all its vulnerability to the forces of the OAS as seen to be cynically manipulated by the United States.

But that is not all, it was also while Mr. Barrow headed the DLP Government that Barbados also joined up with the other international organisations which he now complains are dominated by the Americans and their interests.

It could perhaps be argued that in retrospect Mr. Barrow now sees institutions like the IMF (International Monetary Fund), World Bank and the IADB (Inter-American Development Bank) for what they truly are.

However, it cannot be left to seem that Mr. Barrow is now enjoying the benefits of hindsight, having previously failed to be as perceptive as he should have been while in power.

For there are a number of other events which do not show the previous DLP regime as independent of the Americans as are implied in his perception of the present BLP Government.

### Stopover

Sometime in late 1975 it was disclosed that Cuban aircraft had been using the then Seawell Airport as a stopover point for ferrying that country's troops to and from military missions in Africa.

The DLP administration of the day denied any knowledge of this state of affairs and at the insistence of the American authorities, put an end to the Cubans using Barbadian territory to assist in what was claimed as the liberation struggle in Africa.

If people were to cast their minds back, they would remember certain revelations after the change of Government in 1976 that gave strong indications of the DLP's hearty feelings for the Americans, despite what that party now in Opposition, would have us believe. One such disclosure involved the former United States Naval Facility in St. Lucy.

For to the astonishment of the nation we got to know that under the DLP the United States had not been called upon to pay several taxes and other charges to which they were legally liable. This means that for 15 years the DLP had permitted the public purse to be deprived of millions of dollars from the Americans to which we were legally entitled.

So that when the new BLP Government took over and sought to remedy the situation, we were offered the paltry sum of \$2 million by the US as compensation. The BLP rejected this offer out of hand

and asked the United States to withdraw from the area in St. Lucy that is now utilised by our own Defence Force. Now, pray tell, which Government acted as though it was a bosom pal of the United States?

But there is more for the public to critically examine. In the more than eight years of BLP administration, no United States ambassador to Barbados has been thought to have become as closely aligned to this Government as it was with Mr. Theodore Britton, who under the DLP was America's first Black Ambassador to Barbados.

### Buttons

For during the General Elections campaign of 1976 campaign buttons were being sported that made it clear to all that the Americans were backing the DLP for re-election.

And was it not Mr. Errol Barrow who as Prime Minister visited the late President Lyndon Baines Johnson at the White House?

What I am sure the DLP understands from the realities of political power over 15 years in Government, is that as the political truism goes, "a country has neither permanent friends, nor permanent enemies. Only permanent interests." This is what the DLP needs to teach the public as well.

Barbados has a great deal in common with the United States including the respect for and preservation of the democratic way of life with all of its inherent rights and responsibilities. Events of October 1983 over Grenada show that the United States was prepared to join with Barbados and other Caribbean states to ensure that democracy survived in the region.

That action meant more than rhetoric about "bringing home the Constitution". And it's not even original since the Canadians were saying it for years.

Laxity of Interviewers

Bridgetown SUNDAY ADVOCATE in English 3 Mar 85 p 4

[Article by Henry Christopher]

[Text] EVER SINCE its broadcast last Sunday, one of the hottest items of conversation was Opposition Leader Errol Barrow's interview on "Ellis and Company" on Voice of Barbados radio.

People from all walks of life have over the past week been having their say about the remarkable performance of Mr. Barrow. And in this case, "remarkable" as defined by Webster's New World Dictionary, means "extraordinary" and "worthy of notice".

But it seems that Mr. Barrow's presentation has been "extraordinary" and "worthy of notice" to all segments of the society except the print journalists.

For it is unbelievable that at the time of writing (Wednesday) there has been no comment in newspaper editorials and—or the writings of the various columnists, about both the content and style of Mr. Barrow before the trio of journalists.

This failure to analyse the Barrow interview is difficult to fathom on a number of grounds. To begin with, this was the same radio programme on which Mr. Barrow's political arch rival, Prime Minister Tom Adams, had appeared just about a month before.

On that occasion in January, Prime Minister Adams' interview drew forth near-instant comment and analysis from editorial and other writers.

It would be unthinkable for the Barbadian public to believe that newspaper journalists are prepared to judge Mr. Adams much more severely than Mr. Barrow, even though they are the two leading national political figures in our country today.

But this inequitable approach to analysing Mr. Adams and Mr. Barrow is likely to be perceived in light of the fact that at least twice during Mr. Barrow's interview the DLP leader directly criticised the press in a manner which, if they had come from Mr. Adams would have immediately earned him the eternal wrath of the press for having dared to "attack" that honourable institution.

Mr. Barrow had launched into the press when he declared that local public opinion had to be "nursed along" more so when the "press does not identify itself with

the interests of the people." His other clear and direct stricture of the press came when he said that on some issues in Parliament "we (DLP) get up and hammer away and you don't report it in the press".

On the other hand, the Press' failure so far to analyse the Barrow performance stemmed from the fact that the Press was not impressed by the leanness of its content nor the style in which Mr. Barrow handled himself.

But I am forced to submit that even on this score, the Press has a duty to point this out to the public, especially when it involves the man who, theoretically at least, is the alternative head of Government.

Added to that, it was the first interview in quite some time in which Mr. Barrow was subjected to serious and prolonged scrutiny, as a result of which the interview was a veritable journalistic gold mine for professional and meaningful examination and analysis.

For under the pressure of the interview, Mr. Barrow made a series of statements which were noticeable because they either were not consistent with otherwise known facts, were illogical and often irrelevant and generally left him wide open for an onslaught of devastating probing by the journalists involved.

That this onslaught did not come about was clearly due more to the humanitarian principles of David Ellis, Harold Hoyte and Sandra Baptiste than anything that Mr. Barrow said or did to avoid it.

Mr. Barrow time and time again exposed his vulnerabilities of which his questioners did not take much advantage. And this must have been because the journalists had a sense of sympathy for the man who had contributed so much to the development of Barbados. These sympathetic feelings would have been based on the journalists not wanting to humiliate Mr. Barrow, even though he has consistently endangered his elder statesman role and status by being in the thick of a political fray for which he seems no longer to have the stamina nor sharpness.

This prevailing sympathy for Mr. Barrow would have been

responsible for the journalists not giving in to their killer instinct when they had him to nail. Nothing demonstrated this more than Harold Hoyte's incessant giggling, no doubt stimulated too by a feeling akin to embarrassment at some of the things Mr. Barrow had said and also the way in which he said them.

They, like the rest of the listening public, realised that this was not the Errol Walton Barrow who a few years ago, when still in power, held many a journalist in fear. In those days, Mr. Barrow would respond to firm questioning by journalists with sharp and at times biting retorts.

Now, he was rambling at times, irrelevant, anecdotal and unclear.

For after more than an hour and several attempts by his questioners, Mr. Barrow is yet to either answer properly or at all, questions about his party's vision of Barbados' future and how it is proposed to take us there; the DLP's programme to create jobs, etc.

Mr. Barrow, all things considered, got away with a great deal in an interview in which he was patronising to the people of Barbados. For how else would one describe Mr. Barrow's comments that the Bajan people are phlegmatic and that they like to be manipulated.

In that interview too, Barbadians got to hear of the DLP Leader's true feelings about the Grenada intervention when he spoke about the "interesting experiments" that had taken place in Grenada before they were interrupted by the intervention. Even more revealing was his disclosure of how he viewed the P.R.G. (People's Revolutionary Government for "personal reasons"). They apparently owed him a lot of money and had expropriated the property of his clients.

Some grounds for opposing what was the most repressive and undemocratic regime the Eastern Caribbean has ever seen! What then does "Democratic" in DLP really stand for?

BARBADOS

# NEW WORKERS PARTY GEARS UP FOR NEXT GENERAL ELECTION

Bridgetown SUNDAY ADVOCATE in English 24 Feb 85 p 1

[Text]

BARBADOS' newest political party, the Workers' Party of Barbados (WPB), is gearing itself for the next General Elections, constitutionally due in 1986.

The party, born out of the leftist Movement for National Liberation (MONALI), will be officially launched on May 1 with a mixed cultural presentation, including speeches by "representatives of fraternal organisations."

At a press conference at the Catholic Cultural Centre, Black Rock, yesterday, Dr. George Belle, general secretary of the WPB, said the party would be the first political party to put the interests of workers first.

Dr. Belle said the WPB would support programmes presented by the two established parties that were beneficial to the working class.

He said that whoever presented himself for membership of the WPB must be willing to accept "a workers' perception of the resolution of conflicts that exist in society."

The WPB general secretary said his party would also demand a policy of equalisation by the media for all political parties.

He felt the media played a biased role in terms of reporting the views of the majority.

CSO: 3298/507



BARBADOS

## ISSUE OF HIGH-LEVEL INVOLVEMENT IN DRUGS PERSISTS

### Taitt Complaint to ADVOCATE

Bridgetown BARBADOS ADVOCATE in English 5 Mar 85 p 4

[Letter to the Editor]

[Text]

I find your editorial of last February 16, in its reference to me, quite unfortunate and, in all the circumstances, palpably unreasonable.

On Saturday, January 26, you published a report of certain comments attributed to Mr. Jack Dear allegedly in his capacity as Chairman of the Tourist Board. As you are very aware, I prepared a response that very day and communicated it to your newspaper. For some inexplicable reason my response was not published. Subsequently I made representation to you as to the inherent fairness of having my view on the matter published. My response still did not appear in your columns.

After very careful consideration and consultation with relevant, competent persons I turned to a forum where I hoped to have the matter aired — Parliament. That was only partially successful, for though I was allowed to introduce the matter, Mr. Speaker ruled adversely on it.

It is not for me to take issue with Mr. Speaker's ruling, since by convention and statute I am precluded, except on a substantive motion in the House, from commenting on the merits of such a ruling whether I agree with it or not.

I turn now to the actual issues in the offending article. According to the article of Saturday, January 26,

"Mr. Dear said that if the remarks had been made outside the House of Assembly they would have led to a serious charge and felt that such politicians should be seriously censured by the Press.

"He said the charges made were damaging not only to the hotel in question but to the tourism industry as a whole, and he saw it as another example of cases where Members of the House of Assembly 'shroud themselves in the privileges of the House to abuse the said privileges'."

The editorial under reference followed:

"Mr. Branford Taitt took the opportunity to make serious charges against a west coast hotel. He pronounced his charges as facts, not suspicions. He gave no evidence on which his statements were based. His statements could have

serious adverse consequences for the hotel (which he named) and for Barbados' tourism as a whole."

First, had the House debate been reported accurately and faithfully, perhaps the situation would have been clearer to both you and Mr. Dear. I reproduce for public information the relevant part of Hansard (page 1790):

"Mr. B.M. TAITT: (Referring to the Attorney General) ...He said that I said some time ago that people were bringing in cocaine in glass windows. I wish to tell him that I gave the information I had, which had been passed to me, to one of the highest police officials in the country. If he thinks that when someone gets up on the floor of this House and makes those kinds of statements, the person is trying to get political mileage—there are a number of statements that can be made, on reasonable grounds, from the floor of this House that would be more important, out of which one could get political mileage. The honourable Member, for example, must be aware, since he said that he is responsible for policy—since he gets the reports from the Police Commissioner every day, of the west coast luxury hotel where a man came into this country, stayed for upwards of eight weeks, had what can only be described as a cocaine factory, and took in excess of \$1 million out of Barbados—and when he was at the airport, he was not touched!

"(Aside: Who was the man?)

"Mr. B.M. TAITT: A man. I do not know the man. He is no friend of mine.

"(Hon. H.B. St. John: Where? What time?)

"Mr. B.M. TAITT: A west coast hotel. Last year.

"(Hon. H.B. ST. JOHN: When? What date? Tell me!)

"Mr. B.M. TAITT: Was I there? Do you expect me to know the date? I get information like the honourable Deputy Prime Minister gets his information. He gets information, too.

"(Hon. H.B. ST. JOHN: Name the hotel!)

"Mr. B. M. TAITT: If I call the name of the hotel, it would be unreasonable, but since he insists and tries to make me seem wrong, I mean Sandy Lane Hotel. I want you to go in Sandy Lane and get the records and examine them, and see if there were not a gentleman that came in here and had what they called 'courtesy advertising'..."

It should be evident that the naming of the hotel was not only with reluctance, but only when it became necessary to honour a hallowed convention in Parliaments such as ours that challenges of a certain kind must be answered, lest the member in question incur the contempt of the House.

But in any event, Mr. Dear stretches the imagination if he suggests that to say that a man stayed at a hotel and had cocaine in his possession could result in serious charges brought against the person who said it. Not even in a police state is such a thing plausible!

And pray tell me how does that damage any hotel?

As to the question of damage to the tourism industry, I believe that a casual reference to the columns of your own Barbados Advocate will suffice to reveal the asininity of this charge.

In your edition of Thursday, May 26, 1983, reporting a speech made by the Commissioner of Police, your lead story "BID TO STAMP OUT DRUG TRAF-FICKING", contains the following paragraph:

"Mr. Durant said drug trafficking was being supported for obvious reasons, by people who were well known and who were in prominent positions and were using their positions 'to facilitate this iniquitous activity'. He said also that there were unscrupulous hoteliers involved, adding 'we must work together to expose their anti-social greed and to bring them to justice'."

Will that damage the tourism industry?

Reporting the Commissioner again on June 2, 1983, the Barbados Advocate says the following, at page 2:

"Mr. Orville Durant ... made the point again on Tuesday that well placed businessmen were the most prominent drug traffickers. He said they were using their positions to facilitate their activities, their wealth to dissuade informants from giving information that could lead to their conviction, and the strategy of fear to prevent potential witnesses from coming forward with valuable evidence 'capable of achieving a successful prosecution'."

As early as May 8, 1980, his predecessor, Mr. Aviston Prescod, was reported by your newspaper as saying: "... I am satisfied that Barbados has been used as a transit point for drugs going up to North America and it is coming from well known places in the Region...". Later in the same article your writer states: "Although the number of non-Barbadians convicted over the years has been very small—11 out of 178 in 1979—the police speculated that the main pushers and directors are foreigners."

The then Minister of Tourism, himself, while performing the role of Acting Prime Minister is reported in your issue of Saturday, September 29, 1984, as follows:

"The Minister told the opening of the Barbados Hotel Association's Tradex and Bajan Table '84 that the Beach Vendors Association was totally in favour of the proposals made.

"He said the Association had informed his ministry that they too were being sullied by a group of drug pushers who operated under the cover of collaboration with some law enforcement agencies.

"Mr. St. John pointed out that the term 'law enforcement agencies' meant not only police but security guards hired by hotels and people hired by the National Conservation Commission."

Your newspaper has reported on more than one occasion that "an international ring of cocaine traffickers is operating out of Barbados ... detected since 1981... with couriers arriving in Barbados to collect shipments out of Peru, Colombia and Bolivia for Canada, the United Kingdom and other European destinations." Are we in Barbados to understand that all of these instances of references to drugs in Barbados will be "harmful to tourism"?

Mr. Editor, in her capacity as Acting Attorney General, Miss Billie Miller is reported in the Barbados Advocate of May 22, 1984, as saying to the Interpol Caribbean-Central American conference the following:

"Constantly we are surprised at the extent to which those who trade and traffic in drugs will go to frustrate the efforts of officials and agencies whose role it is to protect our peoples from the horrible and dehumanising effects of the products which the purveyors of death seek to force on the weaker, and sometimes, unsuspecting and uninformed in our communities."

When we survey the scene in Barbados today, we really have to shake our heads in wonderment!

Far from the censure called for by Mr. Dear, and the double rebuke recommended by your editorialist, why not join me in a cause that lacks assistance? Or better still, join me against a wrong that needs resistance — and let us see what good we can do.

**BRANFORD M. TAITT**  
M.P. St. Michael, West.



MP's Query in House

Bridgetown THE NATION in English 11 Mar 85 p 4

[Article by Tony Best: "The Spread of Drug Dealing"]

[Excerpts] WHEN AN OPPOSITION MEMBER OF PARLIAMENT recently posed a question of possible drug dealing by someone holding a position of some prominence in Barbados' political life, he did more than mention in public what many people were saying in private.

What Mr. Maurice King, a Democratic Labour Party member, did in the House of Assembly, was to signal that Barbados too might be on its way to having a drug problem whose magnitude went much beyond the mere smoking of marijuana, grass or weed.

True, he mentioned no names and in so doing might only have fuelled the fires of people's imagination. Also true, no one holding political office has been arrested in connection with drugs, and even if someone had been apprehended, our system of laws demands that people be considered innocent until proven guilty. Anything less than that would be unsatisfactory and unconstitutional.

At the same time, however, if we accept the premise that members of the House are responsible public officials, then one would not be tempted to dismiss Mr. King's inquiry as the work of a person bent on creating mischief, political mischief that is.

That the matter was raised in Barbados, a country noted for its conservative ways, was an indication of the ubiquitous nature of the drug trade in the developed and Third World countries in general and the western hemisphere in particular.

For, in the past decade, drug dealing, both in marijuana and cocaine, has spread like wildfire in countries which in 1974 and 1975 hardly knew what the word cocaine meant.

The picture which emerges from these figures, facts and reports, is one of drug dealing out of control.

Because of its destructive nature, we can only hope that what we have heard so far about Barbados remains just that, a set of ugly rumours, for if the situation goes beyond the rumour stage, then the criminal activity which frightened so many people in Barbados during the past three months, would escalate to terrifying proportions.

For drug dealing breeds a kind of vicious criminal who is quite capable of wiping out entire families just to ensure that no one interferes with his business.

BARBADOS

BRITISH FIRM TO BEGIN OFFSHORE OIL EXPLORATION

Bridgetown CANA in English 1833 GMT 21 Mar 85

[Text] Bridgetown, 21 May--A British oil company will shortly start seismic work about 35 miles off Barbados' north-west coast in the first phase of a 60-million dollar (one Bds dollar; 50 cents U.S.) offshore oil exploration programme, Prime Minister Bernard St John said.

St John, who assumed office a week ago on the death of Prime Minister Tom Adams, told parliament government was negotiating with another company, which he did not name, to conduct similar tests off the south coast.

Barbados, which made great strides over the past three years with onshore oil exploration, signed a 20-year agreement with Cluff Oil, the British company, giving it exclusive right to search for oil in a 403 square mile area off the north coast. It will work in conjunction with the state-owned Barbados National Oil Company (BNOC). St John said he expected Cluff Oil to begin work within the next two weeks.

Speaking during the annual debate on government's estimates of expenditure, St John, who has also taken on responsibility for finance, said government's efforts were directed towards ensuring that concessions for exploration are given to companies prepared to put their money where their mouth is. After Cluff completes the seismic tests, it is expected to begin drilling in 9,000 feet of water off the parish of St Lucy.

Government has said it could earn as much as 400 million dollars annually from the project. In response to concern raised by the opposition about potential damage to the ecology, St John said government would ensure the environment is protected.

CSO: 3298/509

BARBADOS

# NEW NIGERIAN ENVOY SEEKS SUPPORT ON ANTI-COLONIALISM

Bridgetown BARBADOS ADVOCATE in English. 13 Feb 85 p 3

[Text]

Nigeria is looking to the support and goodwill of Barbados in continuing the fight against colonialism, racism, apartheid and neo-colonialism.

Pointing this out yesterday was Nigeria's non-resident High Commissioner to Barbados, Mr. Ayorinde Andrew Ajakaiye, shortly after he presented his credentials to Governor-General Sir Hugh Springer.

Mr. Ajakaiye succeeds Mr. Emmanuel Olufemi Fowora and will be resident in Port-of-Spain.

In presenting his letters of credence, the High Commissioner said Nigeria and Barbados were traditional partners in the search for world peace and a more equitable distribution of global resources.

He said he firmly believed his country could count on Barbados among Nigeria's Caribbean friends to fight the issues in Southern Africa where Namibia was still being denied self-determination.

He is hoping to identify and to

develop areas of co-operation of mutual benefit to Barbados and Nigeria.

Sir Hugh in welcoming the High Commissioner, said Barbados and Nigeria traditionally enjoyed friendly relations.

He described the relations as being rooted "in our mutual respect for international law and the principles of peace, understanding and co-operation among nations".

He said both countries shared a common position on the question of South Africa and on the need to establish there a system of Government based on true justice, democracy and respect for all races.

Sir Hugh stressed the need for both countries to redouble their efforts in seeking to procure additional resources to stimulate economic activity and to promote growth in order to enhance the quality of life for their peoples.

The High Commissioner returns to Port-of-Spain on Friday.

CSO: 3298/509

BARBADOS

BRIEFS

SUGAR OUTPUT--Bridgetown, 19 Mar--Barbados' 1985 sugar cane harvest produced 44,975 tonnes of sugar at the end of the sixth week, just below 50 percent of the projected output for the crop, according to a statement issued by the Barbados Sugar Industry Limited (BSIL). The 1985 sugar cane harvest began on 28 January, and the BSIL's figures are up to the week ending 9 March. Last year, Barbados produced 105,000 tonnes of sugar, arresting a decline, and industry officials have estimated this year's output at 100,000 tonnes. The production in 1984 was the best since 1980, and an 18-percent increase over production in 1983. According to the BSIL statement, it has taken 390,000 tonnes of canes to produce the 1985 tonnage. They said it took approximately 8.67 tonnes of cane to make a tonne of sugar. The BSIL said that so far no sugar or fancy molasses had been shipped overseas to date. [Text] [Bridgetown CANA in English 1722 GMT 19 Mar 85]

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BRAZIL

FOREIGN MINISTER OUTLINES POLITICAL, ECONOMIC GOALS

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Mar 85 p 7

[Text of address by Olavo Setubal on the occasion of his installation as foreign minister, on 15 March 1984 at Itamaraty]

[Text] The new foreign policy which Foreign Minister Olavo Setubal called "diplomacy for results" will be "flexible, creative and realistic," seeking to give continuity to the policy which was being pursued and which the new foreign minister described as "independent, persuasive, respected and influential."

The point of departure for the policy line inaugurated yesterday by Setubal is the "explication of our specific interests with regard to the resumption of growth and the reduction of our foreign vulnerability in the financial, technological and trade areas." Its application will "require Brazil's more active participation in multilateral debates and in bilateral negotiations, through action to foster greater freedom to conduct economic policy and, therefore, to control our own destiny."

The overall goal, expressed in the new foreign minister's inaugural address, will be to "negotiate with dignity and effectiveness in our participation in the international scene," never giving away our sovereignty and our independence. He repeated the words of Tancredo Neves: "We cannot accept imposed solutions that take advantage of our temporary situations of vulnerability, which is why we will not negotiate the non-negotiable, nor will we engage in dialogue under pressure."

Setubal specifically cited Central America when he referred to his belief in the principles of self-determination of peoples, of nonintervention and of the peaceful solution of controversies. In the economic area, the new foreign minister sees two types of action for Itamaraty. "Its immediate goal, as president-elect Tancredo Neves said, is to lend its negotiating experience to the economic ministries to carry out policies aimed at opening new markets for our products and to negotiate, on a more realistic basis, the amortization of the debt.

Thereafter, at medium range, we will be mobilized for vigorous multilateral action in institutions in which Brazil has a direct interest and to keep more

abreast of the decisions of other organisms, always looking to modernize their decision-making procedures and to broaden the representativity of their executives."

Referring particularly to the GATT, Olavo Setubal criticized Washington: "In expanding the volume of bilateral accords, pressuring GATT to conform to its interests, the United States is indirectly limiting the economic opportunities of the other countries. Therefore, since there is a close connection between solving the foreign debt problem and opening up international trade, Brazil will not just fight against protectionism but will make an effort to take part in the coming reexamination of the GATT, to adapt it to the complexity of modern trade, particularly considering the interests of the developing countries." The minister assured that his diplomacy would "go beyond the traditional forums and conventional themes."

Turning to the issue of technology, Setubal said that, since it constitutes an inexorable process of socioeconomic change, "the country which does not keep abreast of technological developments will be doomed to remain underdeveloped." He noted that 97.1 percent of the world's expenditures on research and development are concentrated in the wealthy nations.

#### Masters

Olavo Setubal lauded the government of Juscelino Kubitschek, "whose emphasis on industrialization marked the beginning of our modernization." Several times, Setubal quoted the late Ambassador Araujo Castro, who was the foreign minister of former President Joao Goulart. This delighted the younger diplomats, among whom Castro is considered to have been a real master. The "humanistic culture" of San Thiago Dantas and Afonso Arinoso also won mention.

Describing himself as a liberal, the new foreign minister said he planned to "work closely" with the legislative branch, expecting an "adequate system of oversight" from the Chamber of Deputies and the Senate.

Following is the full text of the inaugural address of Foreign Minister Olavo Setubal.

Your Excellency, Ambassador Ramiro Saraiva Guerreiro,  
Your Excellencies, members of the diplomatic corps,

Ladies and gentlemen:

It is with determination, a sense of responsibility and an awareness of the challenges to be faced that I assume the Ministry of Foreign Relations. Throughout its history, this house of Rio Branco has followed a brilliant path. Its political clarity, its diplomatic competence and its professional maturity have placed it in a position of leadership in the struggle to strengthen peaceful international relations.

I am honored to have been called by President Tancredo Neves, from whom I have received instructions to conduct a foreign policy in accordance with the liberal goals of his government. Our common desire is to speak out in international



forums for what we actually practice at the national level, harmonizing the demand for a new world economic order with an effective effort to eliminate our own internal inequities. Both areas of our policy--domestic and foreign--must be consistent in their propositions and their motivations, so that the country will have moral authority in its strategic-diplomatic relations. I am aware of the real dimension and scope and of the difficulty of this task.

### Tradition and Creativity

I know that, in exercising this office, I will find, as a legacy from my predecessors, the essential guidelines for the continuity of an independent, persuasive, respected and influential foreign policy. Incidentally, this has been the great characteristic of the changes of command in this house; in all of them, there has been respect for the guiding force of tradition--not a glorification of the past, but a guiding thread of history, to which successive generations of diplomats have added their own experience and their understanding of the world.

In fact, to the extent that tradition is the transmission of spiritual values over time, each minister shares with his predecessors the common heritage of Brazilian diplomacy. In the definition of his agenda and his style of action, as San Thiago recognized, he brings this heritage up to date, with a sense of timeliness and according to current needs, without, however, losing sight of its origins.

Thus, every new minister plays the role of "interpreter and servant of this tradition." It is, therefore, his duty to exercise creativity in capturing the sense of changes in the world, with a broad vision of the dynamics of international relations and from a specifically national perspective, consistent with the body of ideas of the government which has installed him.

Fortunately, our policy has not been simply a product of internal conditions or merely a reaction to a series of international events. From the humanistic culture of Afonso Arinos and San Thiago Dantas to the exceptional spirit of Araujo Castro, qualities which the professionalism of Minister Saraiva Guerreiro synthesized profitably in his administration, [our policy] has shown a remarkable breadth of reflection and actuation on the conjugation of domestic needs and foreign contingencies.

### Modernization and Development

The common denominator in the administration of my predecessors has been the formulation of diplomacy with a twofold objective: on one hand, the articulation of foreign support and stimulus for the economic transformation of the country; on the other hand, the manifestation, at the international level, of the social and political implications of this transformation. The merit of this diplomacy was that it perceived the complexity inherent in the modernization efforts. In opening the way for industrialization, the modernization process breaks with centuries-old cultural standards; it broadens social distinctions; it intensifies political participation; it requires a more effective government presence in the organization of production; and it generates an increasing rationalization in the implementation of public policy. To maintain the rhythm of growth, Brazil must intervene more broadly in the process of the creation and international transfer of goods, technology and capital.

The government of Juscelino Kubitschek, whose emphasis on industrialization marked the beginning of our modern age, and the government of Tancredo Neves, whose broad representativity signals the beginning of an era of stability and legitimacy, are separated by three decades, in which the changes which accompanied our development have generated unprecedented problems and more complex conflicts. The political identity crisis observed throughout this period resulted precisely from our inattention to the myriad aspects of the dynamic of development; in other words, the fact that quantitative expansion, the consequences of which are not always predictable, invariably leads to qualitative changes in social relationships.

At the domestic level, in the 1970's we learned what Itamaraty had already perceived long before at the international level: the ambiguity which is always present in all economic activity, since the results are never distributed impartially. In provoking rapid changes with unequal impact, both in periods of expansion and in periods of crisis, the effect is often to accentuate the international stratification. [The changes] thus generate tense and conflictive forms of appropriation of the social product, leading the advanced countries to seek to maintain the status quo, with the crystallization of world power on asymmetrical bases.

It is no novelty that the developed countries are currently characterized by a distorted defense of their interests in open competition and the free market, the highest symbols of economic liberalism. At the trade level, they continue to adopt restrictive measures against exports of manufactured products by developing countries, seeking to divide the development of the backward nations into new categories, with the objective of denying preferential treatment to recently industrialized countries like Brazil and of maintaining depressed prices for the traditional primary products, the major source of revenues for the poor countries.

The result of this discrepancy between liberal rhetoric and pragmatic economic practice is the perpetuation of inequality among the states. In this way, Latin America, Africa, Asia and the Middle East, whose respective countries reproduce internally the same imbalance between North and South, are facing insurmountable obstacles in combating the social inequities and struggling for their economic modernization. Well, to the extent that the asymmetry among nations increases, the degree of international insecurity and instability is heightened. As Minister Araujo Castro said, the collective political security is one side of the coin, the reverse side of which is collective economic security.

This is the scenario in which Brazil, as a mature nation which rejects a second-class industrialization and aspires to a just and equitable process, must act. Thanks to our strategic location and the efforts of the last two decades for economic change, we are a decisive agent for the stability of the Western system. We offer great investment opportunities, we are a significant importer from the central economies and an important supplier of raw material and cheap manufactured goods for the North. Our future directly affects the very fate of the international financial system.

## Diplomacy for Results

It is this premise, which requires great "virtu" from us to counter the vagaries of fortune, that should be the model of thought and action of the House of Rio Branco under my administration. Brazil has developed to the degree that today there is no room for ambiguity in its foreign actuation. For this reason, the basic direction of my administration must be very clear: all diplomacy, regardless of its strategic, economic or moral dimension, has an unequivocally political character. This political character, which cannot be reduced to rhetorical games, is absolutely synonymous with performance, engagement in achieving the collective aspirations.

This is why our diplomacy must be "a diplomacy for results," in other words, flexible, creative and realistic. Its starting point is the explication of our specific interests with regard to the resumption of growth and the reduction of our foreign vulnerability on financial, technological and trade areas. Its implementation demands that Brazil play a more effective role in multilateral discussions and in bilateral negotiations, action capable of leading to greater freedom to conduct our economic policy and, as a result, to control our own destiny.

Thus, "diplomacy for results" is not limited to raising the issue of justice and peace--inherent to the demand for a world economic order--in abstract or mere conceptual terms. This diplomacy manifests an awareness that wrangles over power and wealth have, in all instances of international life, a Hobbesian character. Pragmatic and realistic, this diplomacy recognizes that there are no absolute values underlying the struggle for the world's product. The dynamic of history reveals that justice and peace are open-ended and indeterminate concepts, vague and ambiguous, susceptible to as many definitions as there are categories of power in which any particular nation may be situated. Representing our national aspirations, [this diplomacy] recognizes that the meaning of both values is determined by reciprocal pressures and by conflict, by cooperation and the achievement of consensus among nations.

Since it has the moral authority and legitimacy of a government committed to democracy, the overall objective of "diplomacy for results" is to play our part on the international scene with dignity and effectiveness. At no time does it give away our sovereignty and independence. As Tancredo Neves has said, we cannot accept imposed solutions that take advantage of our situation of temporary vulnerability," which is why "we will not negotiate the non-negotiable or engage in dialogue under pressure."

## Political and Economic Goals

For this reason, in the political arena, we will preserve the traditions of this house in defense of the principles of self-determination of peoples, of non-intervention, of the peaceful resolution of disputes, especially in Central America, of joint Latin American effort in dealing with common problems, and of respect for human rights. In the area of economic relations, within the broad wish to resume growth and to restore the level of employment and income, the issue of the foreign debt will be stressed. In a society of 130 million inhabitants, with most of the economically active population at levels of poverty,

indigence and misery, it would be illogical to reduce the problem of economic readjustment to foreign determinations of a technical nature.

It is not an easy task to break with the orthodoxy inherent in these determinations. The changes in the relationship of the cost of goods and services provoked by the energy crisis in the 1980's and the perpetuation of the North American policy on interest rates, overvaluing the dollar, are factors which have inhibited the resumption of the level of activities of the developing countries. Although the developed world has shared the notion that the viabilization of the Brazilian economy depends on the levels of world trade and the availability of the financial resources foreseen in the era of the concession of credit, the conservative pragmatism of the central economies today ignores these conditions. Hence they are imposing rules that are highly compromising to our mission as an economically modern and emancipated nation.

At this moment when the central economies seem preoccupie only with stressing the global nature of the world problems, forgetting the dramatic social implications of the readjustment effort, the "diplomacy for results" will know how to act with firmness. [Itamaraty's] immediate goal, as President Tancredo Neves has said, is to lend its negotiating experience to the economic ministries in the execution of policies aimed at "opening new markets for our products and negotiating, on more realistic terms, the amortization of the debt." Then at medium range, we will be prepared for vigorous multilateral action in the institutions in which Brazil has a direct interest and to keep abreast of the decisions of other organisms, always looking to the modernization of their decision-making procedures and to the achievement of more broadly representative directorates.

#### Brazil and the North-South Dialogue

We have not forgotten that, because of the bipolarization of the world order and also the insensitivity of the North to the socioeconomic problems of the South, the world is again headed in a direction which Ambassador Araujo Castro referred to 15 years ago as the "diminishing circles of negotiation," in other words, toward the relativization of the multilateral level of international relations. This is because the superpowers, when they are not impeding the participation of the developing nations and the underdeveloped nations in the basic decisions of these forums, end by threatening to remove their action from the formal jurisdiction of the multilateral organizations.

The most important example of this process is the GATT, an entity which has broadened its horizons since its conception, but which is facing increasing difficulties in fostering the expansion of international trade within a framework of security, stability and reciprocity. GATT's decisions are influenced by the rich nations, which are insensitive to the interests of the nonindustrialized nations; it clearly represents the breakdown of the international solutions of the economic order of Bretton Woods. With the increase in the number of member countries, GATT's agenda of problems has included different economic regimes in different stages of development, each one with specific needs, and they are not always complementary. To the extent that the need to reconcile these interests opens the way to countless bilateral negotiations, generating a heterogeneous range of standards regulating market operations, GATT's authority has been weakened.



This fragmentation of its decision-making power is currently accelerated, for many reasons. One of them is the pressure of the rich countries to protect industries that are technologically obsolete, to the detriment of the exports of nations with abundant natural resources and cheaper manpower. Another factor is the U.S. criticism of the current GATT standards, arguing that they do not take into consideration its competitive edge in the area of services of a multiple nature and high technology. In expanding the volume of bilateral accords, pressuring GATT to mold itself to its interests, the United States is indirectly limiting the opportunities of the other countries. Therefore, since there is a close connection between solving the foreign debt problem and opening up foreign trade, Brazil will not confine itself to struggling against protectionism; more than this, it will seek to participate in the reexamination of GATT itself, to adapt it to the complexity of modern commerce, especially with regard to the interests of developing countries.

Thus, "diplomacy for results" is disposed to transcend the traditional forums and conventional themes. It is aware that the arena of confrontation and negotiation between rich and poor countries has changed its center of gravity. It would be a mistake to establish a conceptual distinction between great conflicts, such as those of a political nature, and small conflicts--those of a commercial nature. To recall the words of Santiago Dantas and Araujo Castro, in a world divided by the antithetical forces of policentrism and bipolarization, problems related to economic cooperation and trade exchange tend to be inserted in a larger and more complex context of collective security and the balance of power. In long-range terms, therefore, faced with the growth of the central economies, Brazil will have to define what position it really wants to take in the international context, so it may take the definitive leap to development.

#### Technological Issue

Finally, in addition to its present objectives, at the strategic level "diplomacy for results" will look to the issue of technology. By its influence on the changes in the paradigms of industrialization in the last decade, technology is the "sine qua non" of this leap. Since technology is an inexorable process of socioeconomic change, the country which does not keep abreast of its development is doomed to remain underdeveloped. Because of technology, subjecting specialized knowledge to the economic criterion and directing it to the production of goods and services, knowledge has become synonymous with power.

In international relations, this conversion of knowledge into power has opened new horizons, in terms of the transfer of goods, technological models and capital flow, and is also extending the frontiers of the modern world; i.e., it is taking in areas once inaccessible even to developed nations, such areas as outer space, the ocean depths and Antarctica. To the extent that it affects the organization of labor and the production structures, the technological revolution will also alter the essence of the power relationship among the nations, challenging conventional notions of sovereignty and putting the confrontation between the superpowers in new terms.

Technological growth presents serious problems for the underdeveloped world in its relationship with the rich world. It is such a far-reaching process that it renders obsolete the theories and experience accumulated in handling the

the relations of cooperation, competition and conflict among the states. Brazil must reckon with this situation.

One of the most serious problems is the flow of data between nations. One of the new challenges of modern technology is how to regulate and control the flow of social, economic, technical and industrial information between the rich world and the other worlds. The problem is associated with each nation's conception of security and development. On one hand, since it is difficult to control the interchange, transmission and storage of information, the leaking of strategic data affects the sovereignty of states. On the other hand, countries which impose restrictions on this flow of information will have difficulty obtaining data essential to their own economic growth.

Therefore, to create the conditions for the new redistribution of wealth in the international order, in which the concentration of capital, the investments in research and the emphasis on the production of information and services will be as important as or more important than the production of goods, we must have a clear understanding of the effects of technological progress and its impact on the current world stratification. Periods of reordering have their risks, certainly, but they are important for the intermediate nations to win a growing degree of independence and power in science, information and trade.

The effects of the technological explosion thus involve all the systems and subsystems of the current world order. If, in the West, the communications revolution which it unleashed has changed customs and broadened minds, the the East, it is freeing China from its millennial backwardness, through the market. At the level of North-South relations, the tensions are known, whether it is because 97.1 percent of the world's expenditure on research and development is concentrated in the rich countries or because technology alters the terms of the competition for renewable and nonrenewable energy sources, or because the diplomatic effort to find solutions for new problems, such as the exploitation of the Antarctic, is a laboratory for the development of the emerging international order.

"Diplomacy for results" is attentive to experiments like this, among other reasons, because today's conventional policies are fused and confused with unprecedented problems, both in the distribution of the available resources and in the attempt to internationalize the control over these resources, to the detriment of the interests of the undeveloped world.

All this creates an arduous task for this establishment [Itamaraty]. Its action will be characterized by independence and pluralism, favoring global solutions to be determined in bilateral negotiations aimed at the resumption of our path of development.

Itamaraty, whose command I have just received from one of its most outstanding chancellors, is prepared to face these challenges. Throughout the industrious administration of Minister Saraiva Guerreiro, this establishment has been guided by a successful reflection on the future of the international system and Brazil's part in it. Among these reflections, we note: 1. an effort to revise the North-South relations on more equitable bases; and 2. the determination of



an intelligent range of relationships aimed at giving all nations greater opportunities for growth through the integration of their complementary interests. Thus there is a communion of ideas in Itamaraty, a basic condition so that all of us may continue the best traditions of solidarity and universalism bequeathed by the Barao de Rio Branco.

Your Excellency, Ambassador Ramiro Saraiva Guerreiro,

Ladies and gentlemen:

Permit me these last words, at this time in which our duties, dilemmas and challenges are so grave, but in which the prospects for Brazilian democracy are so promising. The honor of being a member of the Tancredo Neves government gives me the opportunity to participate actively in the building of a regime devoted to the cause of liberty, equality of rights and the recognition of the dignity of free men, principles which the New Republic is pledged to honor among us.

As a life-long liberal, I know, from personal experience, how strongly the effectiveness and the legitimacy of the administration of an executive branch depend on a close relationship with the legislative branch. Without an adequate system of oversight, there is neither responsibility in the management of the collective patrimony nor any correspondence with the political will expressed by a mandate. The Chamber of Deputies and the Federal Senate, effectively representing the nation's aspirations, will certainly collaborate in distinguished fashion in the "diplomacy for results."

No matter how great the technical demands of this task may be, I can only acknowledge, once again, its unequivocally political meaning. As Max Weber said in his famous interview, the vocation of politics "is a tenacious and energetic effort to saw through vast beams of lumber." Since "this task demands time, zeal and a sense of proportion," I pray God that these attributes will not fail me in the political mission that has been entrusted to me by Tancredo Neves.

Thank you very much.

6362

CSO: 3342/136

BRAZIL

NAVAL REEQUIPMENT PLANS FOR NEXT 15 YEARS DISCUSSED

Sao Paulo TECNOLOGIA E DEFESA in Portuguese No 19, 1984 pp 6-10

[Article by Pedro Paulo Rezende]

[Text] Many new things have been decided on since the publication last year of our previous report on the strength of the Brazilian Navy. In this article, we present the plans for reequipping the fleet over the next 15 years, with new details on the anticipated warships.

Brazil currently has the largest and one of the most modern fleets in Latin America. It also maintains a reasonable shore support structure to provide its warships with the necessary logistic and operational support. And, without a shadow of a doubt, it has the largest and most diversified shipbuilding industry on the South American continent.

But this is not to say that Brazilian naval strength exceeds the minimum requirements. According to the Constitution, it is the navy's job to defend the enormously long Brazilian coastline and support merchant ships operating in our waters. It also has the task of ensuring the safety of our civilian shipping, whose vessels ply regular routes to the four corners of the globe.

Obviously, our fleet is not sufficient for all that. By using to the best possible advantage the limited budget resources allocated to it by the Union, the Ministry of Navy has sought to maintain a minimum fleet that is well equipped within the limits of what is possible and, chiefly, one manned by well-trained crews. In recent years, that effort has also been aimed at increasing the level of local manufacturing content in our warships and in the equipment and systems installed on them.

The Brazilian Navy's profile as planned for the period from 1985 to 1995 accurately reflects that philosophy.

Problem of Funds

The Brazilian Navy is no different from the other navies in the world. It is faced with problems that are typical of its situation. A tank carries three or four men. In a warplane, there are from one to eight. But a warship, no matter

how small, carries a few dozen. And those men must act in unison or there will be less chance of their survival in combat. This means higher training costs, in addition to the fact that a modern warship costs much more than any aircraft or vehicle to build, maintain, and operate. But despite that, the Brazilian Navy has struggled with budget problems ever since it was established.

To establish the first Brazilian fleet, Emperor Dom Pedro I launched a public subscription in 1823. Later, and despite the military requirements imposed on the fleet during the First and Second Empires, keeping its ships up to date was always achieved with difficulty. The first steam-driven warship did not appear until 1825. And the first Brazilian warship with a metal hull did not enter service until the time of the Paraguayan War. All those programs were implemented slowly, and not infrequently they had to be delayed for lack of funds (see TECNOLOGIA E DEFESA No 10, page 50).

With or without difficulties, however, the Ministry of Navy managed to keep the Brazilian fleet at the minimum acceptable levels, and it entered the 1980's with about 60 operational warships plus 40 other smaller auxiliary vessels (see TECNOLOGIA E DEFESA No 9)--an impressive number in the Latin American context.

It happens, however, that many of the warships now in service are already reaching the end of their useful operational lives. And other vessels, although newer, need to have their on-board equipment and systems modernized.

To close that gap, the Ministry of Navy has now completed a well-arranged plan for modernizing its ships. The plan is characterized by a very special emphasis on domestically built warships equipped with weapons and systems built in Brazil.

#### Future Fleet

The future Brazilian fleet will continue to be too small in terms of our real requirements, but it will be provided with highly flexible warships.

Its basic strength is to include a new attack aircraft carrier (34,000 tons); a second, smaller aircraft carrier; 8 Niteroi Class frigates; 12 or more Inhauma Class corvettes; 1 nuclear attack submarine, 12 new NAC Class submarines, 2 Type IKL-209-1400 submarines, and 3 modernized Oberon Class submarines; 12 700-ton coastal patrol boats; 6 Aratu Class minesweepers and an as yet undetermined number of other more modern minesweepers and minelayers; 1 new troop transport ship; and 1 modern tank landing ship, as well as numerous other auxiliary ships.

The important thing to note in this list is that of the total number of fighting ships planned for the fleet by the end of the 1990's, only the three Oberon Class submarines, one of the Type IKL-1400 submarines, four of the Niteroi Class frigates, and the Aratu Class minesweepers will be built abroad.

All the others will come from Brazilian shipyards, and many of them will have been designed here in Brazil.

## Aircraft Carriers

There is still disagreement within the Navy General Staff itself concerning the ideal type of aircraft carrier to replace the "Minas Gerais," which, although completely refitted just recently, is to be retired in the middle of the next decade. Under former Minister Maximiano da Fonseca, there was a preponderant preference for three 15,000-ton warships similar to Spain's "Principe de Asturias." Now, however, many admirals are leaning toward one large aircraft carrier of 34,000 tons and a second, smaller carrier of 15,000 tons. The details of each type are analyzed in another report in this issue (page 16 [not included here]), but before the plan can actually be carried out, it will be necessary to obtain final approval from the Armed Forces General Staff, where the Ministry of Air has weighty arguments against building an aircraft carrier of large tonnage. It will also be necessary to obtain allocation of the funds needed for building such expensive ships. The two aircraft carriers, complete and equipped, would probably cost at least \$1.3 billion.

## Destroyers

As we reported in our issue No 9, the Brazilian fleet currently has nine U.S.-built destroyers, all dating from the 1940's or 1950's, but refitted before their transfer to Brazil. Basically, they are divided among three types: two of the Gearing Class (3,500 tons), five of the Allen M. Sumner Class (3,320 tons), and three of the Fletcher Class (3,050 tons). The biggest models have at least 10 more years of active service ahead of them. They are sturdy, fast, and well armed, and they have already received several improvements since their arrival in Brazil. With a view to improving their combat performance, the Brazilian Navy evaluated several modernization proposals submitted by American, Israeli, and European firms (see TECNOLOGIA E DEFESA No 14, page 44).

The high cost of that refitting and the limited funds available eventually led the Admiralty to adopt a compromise decision calling only for the replacement of certain on-board electronic components, complete engine overhauls, and replacement of the original antiaircraft guns with new Brazilian-made 20mm guns that have an extremely high rate of fire and are capable of standing up to fast aircraft or antiship missiles flying at low altitudes.

The three Fletcher Class destroyers will actually be deactivated at the end of this decade. In their case, there are two possibilities: either they will be sold as scrap or they will be "simplified" (by removing some of the armament and adding a helicopter landing deck) for subsequent use by the coast guard.

## Frigates

The six frigates of the Niteroi Class will remain in use until the start of the 21st century. These modern, 3,800-ton warships are versatile and well equipped. Four of them were built at the Vosper Thornycroft Shipyard in Great Britain, and the other two were built at the Navy Arsenal in Rio de Janeiro. Two of them are equipped for antisubmarine warfare, and the remaining four have weapons and systems for what are called general purpose duties. The modifications planned for these ships over the next few years include replacement of their Sea Cat

antiaircraft missiles with two Brazilian-made 20mm automatic antimissile guns and, perhaps, replacement of their Exocet MM-38 sea-to-sea missiles with Brazilian-made Barracuda missiles, which are now in the development stage. The on-board electronic instrumentation will also be modernized.

And this is something new: they will be joined by two other vessels classified as "antiaircraft frigates."

Designed to defend aircraft carriers and other large surface ships from attacks by aircraft and antiship missiles, the two new warships, designed in Brazil, will actually be a lengthened version of the Niteroi Class frigates, with a hull similar to that used on the training ship "Brasil."

Besides the difference in length, they will differ from other, earlier warships of the same series by their on-board electronic instrumentation and armament. They will not carry antiship missiles and will have only one 114mm gun.

But to compensate for that, they will have two 40mm automatic guns and four Brazilian-made 20mm automatic antimissile guns plus launchers for long-range antiaircraft missiles. The launchers will be made in Great Britain or the United States (the model has not yet been chosen). It is possible that each ship will also be equipped with a launcher for the antiaircraft version of the Brazilian-made Piranha missile (see TECNOLOGIA E DEFESA No 12, page 20).

#### Many Corvettes

The Brazilian fleet currently has nine Imperial Marinheiro Class corvettes. These are small, 1,000-ton warships that were built in Holland in the 1950's. It is known that they will be transferred to the coast guard before the end of the 1980's. Their place will be taken by a series of new and longer corvettes of the Inhauma Class (two already started out of six contracted for, with 12 announced, for a total that may reach 16).

Designed in Brazil by Brazilian engineers, these warships of 1,960 displacement tons will measure 95 meters in length. Their mission will be to patrol the country's territorial waters. Plans call for their assembly at various Brazilian shipyards, and it is no secret that the orders will be divided among Verolme, EMAQ [Engineering and Machinery, Inc.], Maua, So/Ebin, and others.

From the standpoint of combat, the first six corvettes will have four launchers for Exocet MM-38 sea-to-sea missiles, six antisubmarine torpedo tubes, and, on their bows, a 4.5-inch British Vickers Mk8 gun identical to that used on the frigates, in addition to two 40mm Breda Bofors automatic guns. Astern, each will be able to carry a Lynx helicopter armed with Sea Skua antiship missiles.

Fire control for on-board weapons will be effected by a British CAALS system designed by Ferranti, a firm that already has a plant in Brazil (see TECNOLOGIA E DEFESA No 7, page 38).

The second batch of six corvettes will carry Brazilian Barracuda missiles instead of French Exocets, plus a battery of eight Brazilian-made antiaircraft



missiles (AVIBRAS [Aerospace Industry Corporation] SSA-1-N's) on the poop deck. Atop the helicopter hangar, there will be a Brazilian-made 20mm antimissile gun. Also on board will be a FILA (Fighting Instrument Low Altitude) system built by AVIBRAS and coupled with the original CAATS.

#### Other Ships

To supplement and/or replace the auxiliary ships currently in service in the fleet, the navy intends to build a new tank landing ship of 4,500 tons and a new dock landing ship of 9,000 tons. The latter will be capable of transporting (and discharging near enemy beaches) a total of 2 LCT's or 18 LCM's. Its design and use will be similar to those of the French Ouragan. In addition, four heavy helicopters of the Sea King type or even larger helicopters such as the U.S. Sea Stallion will be able to operate from its deck.

The six Aratu Class minesweepers will continue in service.

They are modern and versatile, but there are plans to build others at shipyards in Rio Grande do Sul with hulls of wood and fiber glass (antimagnetic). It has not been announced how many warships of this type have been scheduled. It is known, however, that the navy is to order a series of new coastal patrol boats to replace the current NAPACO's [coastal patrol boats]. Very similar to the Finnish corvettes of the Turunmaa type and displacing about 700 tons, they may be armed with the 5-inch guns taken from the deactivated Fletcher Class destroyers as well as two 40mm automatic guns for antiaircraft defense. They will be very fast (about 20 knots), be diesel propelled, and carry a light helicopter on the stern.

The Ministry of Navy plans to transfer them, along with other warships, to the coast guard, which in the future will be autonomous, with its own budget.

Those are the navy's reequipment plans in general outline. They call for maximum use of national capability and technology and are to be carried out according to the timetable if the Ministry of Navy is able to obtain the funds it needs from Brasilia.

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BRAZIL

ITAMARATY PUBLISHES WAR MATERIEL CATALOG

PY142140 Rio de Janeiro O GLOBO in Portuguese 13 Mar 85 p 19

[Text] Brasilia--The war materiel being manufactured in Brazil is being advertised in Brazil and abroad through a catalog entitled "Brazilian defense Material," drawn up by Itamaraty's Commercial Promotion Department.

The Visconde de Cabo Frio Foundation has published 5,500 copies of this catalog, from which 2,500 copies are destined for 105 Brazilian embassies abroad. The remaining 3,000 copies are being sold by the abovementioned foundation itself and, according to an Itamaraty source, the demand for the catalog has been very high, especially on the part of private businesses, embassies, organizations of professionals [orgaos de classe], and some foreign libraries.

The first catalog on Brazilian-made weapons was published in 1983. According to the Itamaraty source, this second catalog is much better than the former one since it has more complete indexes, listing 28 enterprises on 88 pages, besides carrying dozens of colorful pictures. The descriptions are made in English and in Spanish.

Itamaraty is already preparing a 150-page catalog which is to be issued next year.

The enterprises manufacturing war materiel advertise through the catalog by sending in their advertisements, thus assisting in the expenses incurred in the publication. The 1985 edition of "Brazilian Defense Material" carries assorted information, including data on airplanes, helicopters, ammunition and additional components, armored trucks, combat and patrol tanks, naval services and equipment, communication equipment, explosives, infantry weapons, and special products.

CSO: 3342/138

22 April 1985

## BRAZIL

## LIGHT ARMS EXPORTS EXPECTED TO RISE 15 PERCENT IN 1985

Rio de Janeiro O GLOBO in Portuguese 17 Mar 85 p 34

[Text] Porto Alegre--Brazilian exports of light arms should increase 15 percent this year, predict the Rio Grande do Sul firms Amadeo Rossi and Forjas Taurus, but 60 percent of the country's sales will still tend to be concentrated in the American market.

"It is the largest weapons market in the world, with the greatest possibility of savings," says Taurus vice president Luiz Fernando Costa Estima, justifying the U.S. share of Brazilian sales.

This year Forjas Taurus intends to strengthen its presence in the American market, with the initiation of an aggressive marketing campaign by its subsidiary, Taurus International, of Miami.

With its subsidiary importing and marketing its products in the United States, Taurus expects to make \$8 million in the United States alone, as against \$2 million in 1984.

The expansion of sales to the largest market in the world will also be stimulated, according to Taurus president Carlos Alberto Paranhos Murgel, by the large opening provided by the contract awarded to Italy's Baretta, to supply 395,000 9mm handguns for the U.S. Army.

"The model manufactured by Taurus is similar to the Baretta, but the company has improved on the product in Brazil and it is now being copied by the Italian plant itself. So we are qualified to fill a great market," Murgel explained. He is wagering on the expansion of Comercio Baretta of Sao Paulo, a subsidiary of the Italian firm, which could take over the segment of the market which the European industry cannot handle.

Amadeu Rossi increased its exports from \$5 million to \$6 million between 1983 and 1984, with the introduction of new products, headed by the stainless ventilated six-chamber revolver.

With the launching of the new products, foreign sales are expected to grow by as much as 20 percent this year, according to financial director Nelson Rossi, who divulged that exports are averaging \$500,000 per month, to over 40 countries, although 60 percent of the exports are to the United States.

Both Taurus and Rossi expect sales to improve with their participation in the Frankfurt Fair, which should help to diversify their exports even more, with greater penetration in the FRC. The Middle Eastern market is continuing to grow.

In the struggle for market diversification, the Taurus vice president stressed the importance of the publication of the manuel "Brazilian Defense Materiel" by Itamaraty, for distribution in all the Brazilian embassies abroad.

"It is another important tool in the promotion of sales of Brazilian weapons on the international market, because it shows the combined potential of the national industry ," Estima explained.

The Rossi director disputes the importance of the manual, claiming that "it is more important to expand business contacts in the potential markets."

6362

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BRAZIL

RURAL LEADERS CONTEST OPTIMISTIC 1984/1985 CROP FORECAST

Sao Paulo GAZETA MERCANTIL in Portuguese 13 Mar 85 pp 1, 14

[Article by Vera Brandimarte]

[Text] The Production Financing Commission (CFP) yesterday presented a very optimistic estimate for the 1984/1985 crop, which is beginning to be harvested in the Central-South region. According to CFP president Francisco Villela, although the acreage planted this season is practically unaltered, the behavior of the weather will enable the country to harvest record grain and oleaginous crops.

If the harvest in the North and Northeast and the winter crops in the Central-South show the same results as last year, production could reach 53.2 million tons. Just the summer crop in the Central South will contribute 45.9 million tons, Villela said. He does not believe the government of president-elect Tancredo Neves will face any serious difficulties in solving the domestic supply problem.

On the other hand, rural leaders and companies in the agricultural sector dispute the figures released by the CFP. According to the Brazilian Rural Association, the corn crop in the Central-South will reach barely 18 million tons, at least 500,000 tons below the official estimate. The CFP prediction of 15.59 million tons of soybeans was also considered exaggerated. The industries and market "traders," the U.S. Department of Agriculture and the specialized publication OIL WORLD are expecting between 15.5 million and 16 million tons.

According to the CFP, the crop estimate for the Central-South, made in March, already allows for small losses registered in the soybean, corn and rice crops. In contrast, a new increase in cotton production was verified.

The problem of a surplus cotton supply on the domestic market was attacked on several fronts yesterday. The state secretaries of finance, meeting in the CONFAZ (Finance Policy Council), decided to exempt exports of 100,000 tons of raw cotton by Parana and Sao Paulo.

The CFP also divulged the operational standard for the EGF [Federal Government Loans], valid only for March, to stock cotton, corn and rice. According to Agriculture Minister Nestor Yost, the cotton ginneries may sell raw cotton directly to the government. He added that the CFP should be authorized to purchase the raw cotton remaining from the 1983/1984 harvest.

While the producers learned of these measures with some relief, the textile manufacturers claimed that the exportation of raw cotton will raise the domestic price of the raw material, making it even more difficult to place manufactured cotton products on foreign markets.

### 53.2 Million-Ton Harvest

According to the CFP, this year Brazil should harvest record grain and oleaginous crops, if the North and Northeast repeat last year's performance-- a perfectly feasible possibility and even conservative estimate, considering the excellent weather conditions. If the winter grain crop in the Central-South is equal to last year, the country will produce 53.2 million tons of grains this year. The figure takes into consideration only the products covered by the guaranteed minimum price policy.

Yesterday, the CFP released a new crop assessment, conducted in March. Considering only rice, corn, beans, peanuts, cottonseed, soybeans, sorghum and castor beans, the Central-South should produce 45,963,000 tons, as against 44,633,000 tons in 1984. These figures represent a 3-percent increase in production in the 1984/1985 season and, according to CFP president Francisco Villela, they will insure tranquility with regard to domestic supplies.

The corn estimates for the Central-South are still preliminary, since the productivity can hold out surprises until the moment of harvest, but they are seen as satisfactory by the present government, which is responsible for the reorientation of the agricultural policy. The withdrawal of the rural credit subsidies and the replacement of this planting incentive mechanism with fixed price floors capable of stabilizing the income of the producer led to some uncertainty regarding the maintenance of the acreage planted. The adaptation to the new conditions prevented the desired increase in acreage. "The acreage remained virtually the same, but the producer planted in the certainty of receiving a return, and he benefited from extremely good weather this year, which is responsible for the increase in production," Villela said.

In fact, the occurrence of droughts caused a decline in productivity in some crops, but they did not have an irremediable effect on corn, except in Sao Paulo, where the drought in the second half of 1984 forced the producers to replant. In Rio Grande do Sul, Santa Catarina and Parana, the irregular rainfall affected productivity. Compared to last year, the yield from the corn crop declined 10 percent in Santa Catarina and 4 percent in Rio Grande do Sul.

Corn production in the Central-South should stand at 18.6 million tons, owing to a decline in productivity and also to an adjustment in the acreage planted. In some states, such as Mato Grosso, it was observed that the acreage estimated in previous evaluations was too high. With regard to the corn crop, 28 percent is being harvested now in March; 25 percent will be harvested in April, 23 percent in May, 17 percent in June and 7 percent in July.

Cotton production estimates continue to rise with each new assessment of the crop. Another increase in acreage was observed in March, which brings production estimates to 699,900 tons of raw cotton. This figure could be revised because of the "bicudo" [cutworm] attack in the Sao Paulo crop. About 65 percent of the crop will reach the market this month, 22 percent in April and the rest in May.

Table 1. Harvest in the Central-South (production expressed in 1,000 tons)

<u>Product</u>	<u>1983/1984</u>	<u>1984/1985</u>	<u>Growth (%)</u>
Rice	7,154.4	6,946.1	-3 %
Cottonseed	932.5	1,350.4	45 %
Beans (first harvest)	1,058.8	1,252.3	18 %
Beans (second harvest)	617.9	678.8	10 %
Corn	19,018.5	18,598.0	-2 %
Soybeans	15,340.5	16,557.1	8 %
Peanuts (first harvest)	159.9	214.6	34 %
Sorghum	269.9	273.7	1 %
Castor beans	80.9	91.9	14 %
<b>Total</b>	<b>44,633.3</b>	<b>45,962.9</b>	<b>3 %</b>

Source: CFP/ GAZETA MERCANTIL

Table 2. Production-Harvest (in 1,000 tons)

<u>Product</u>	<u>1983/84</u>	<u>1984/1985</u>		
		<u>Center-South</u>	<u>North/ NE</u>	<u>Total</u>
Rice	8,990.6	6,946.1	1,836.3	8,782.4
Oats	116.6	116.6		116.6
Rye	3.1	3.1		3.1
Barley	69.5	69.5		69.5
Beans (1st crop)	1,058.8	1,252.3		1,252.3
Beans (2d crop)	1,557.4	678.8	907.6	1,586.4
Corn	21,177.5	18,598.0	1,802.2	20,400.0
Sorghum	328.7	273.7	58.8	322.5
Wheat	1,888.8	1,888.8		1,888.8
Peanuts (1st crop)	159.8	214.6		214.6
Peanuts (2d crop)	59.9	55.4	4.1	59.9
Castor beans	224.8	91.9	143.9	235.8
Soybeans	15,340.5	16,557.1	36.4	16,593.5
Cottonseed	1,301.4	1,350.5	346.6	1,697.0
<b>Total</b>	<b>52,276.0</b>	<b>48,096.0</b>	<b>5,136.0</b>	<b>53,232.0</b>

Source: CFP/GAZETA MERCANTIL

The upland bean crop, which is already 50 percent planted, also promises a 10-percent increase in production. The CFP estimates the crop at 678,800 tons, which will be added to the first harvest of 1,252,000 tons. Regarding the rice crop, 50 percent is harvested in March, 38 percent in April and 12 percent in May. Production is estimated at 6.9 million tons.

Some 38 percent of the soybean acreage is harvested this month; 45 percent will be harvested in April and 23 percent in May. The crop should hold some surprises with regard to yield. The CFP has already diagnosed a decline in yield in Santa



Catarina and Rio Grande do Sul, revising the February production estimates of 16.7 million tons downward to 16.5 million tons this month. The soybean yield can only be ascertained at harvest time.

Affected by the drought, the plants manage to grow in compact form, but when the pod forms the loss becomes apparent. For this reason, the Rio Grande do Sul crop, which was planted late, could still present some losses for the producer.

6362

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BRAZIL

PASTORE, LANGONI ON FUTURE DEBT RENEGOTTIATION APPROACH

Pastore's Expectations

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Mar 85 p 50

[Article by Ademir Shiraishi]

[Text] The low average age of the new directors of the Central Bank has already earned them the nickname "kids." Despite their youth, however, the new directors already have the experience to warrant the favorable expectations of the technical echelons of the Central Bank, unlike the Bank of Brazil, which has not had the same renovation and has, with rare exceptions, looked to the past.

Like his predecessors Carlos Geraldo Langoni and Affonso Pastore, Antonio Carlos Lembruger, the new president of the Central Bank, will face a round of foreign trips soon after he is installed, to resume the negotiations with the IMF and the creditor banks.

Pastore's expectation that the next government will not change the direction of the renegotiation of the debt which comes due between 1985 and 1991 (the technical part of which has been concluded) applies only to the relations with the private banks.

With regard to the political aspect of the renegotiation, Lembruger will be responsible for drafting the eighth letter of intent to the IMF to revise the goals of monetary expansion and the public deficit in light of the actual inflation rate, which will reach the 1984 rate of 223.8 percent, as against the original projection of an annualized rate of only 120 percent by December.

Brazil's relation with the IMF should not undergo any changes, predicts the current president of the Central Bank. Sectors within the bank feel, however, that the persistent inflationary deviations could lead Jacques Larosiere, managing director of the IMF, to get tough with Brazil, even cooling down the developmental spirit of the new government. The first test of wills between the IMF and the Tancredo Neves government will come about at the end of this month or early next month, when Brazil will ask the Fund to double the initial goal of 60 percent for monetary expansion, or risk cutting off any possibility of economic growth this year.

There can be no delay in the agreement to approve the eighth letter of intent. The impasse with regard to the seventh letter of intent led the IMF to withhold release of \$400 million in expanded financing to the country in February. Now the first bank draft of the year is programmed for May, which will also mark the end of the automatic extension of the debt which came due on 1 January.

Lembruger's principal collaborator in the debt renegotiation will be Sergio de Freitas, director of the foreign area. The first task of this former director of the Itau Bank will be to form a more effective team of advisors than that of Jose Carlos Madeira Serrano, his predecessor, who was responsible for breaking up the highly regarded group of specialist inherited from Fernaldo Bracher, foreign area director of the Central Bank in the Geisel administration.

#### High Interest Rates

In addition to the sharp decline of exports at the beginning of this year and the suspension of the debt renegotiation, Sergio de Freitas will also feel the pressure of the rising trend of Euromarket (Libor) interest rates, which had already reached the dangerous level of 10.312 percent to 10.437 percent annually last Friday, whereas Brazil must count on a average of 8.74 percent throughout this half year, to stay within the projected expenditure of \$11.17 billion in interest payments.

Sergio de Freitas and Alberto Furuguem, future director of the banking area of the Central Bank, must also find formulas to administer the foreign currency deposits in the bank. These deposits stand at \$50 trillion, almost the same figure as the net public debt (treasury notes) out on the market, with heavy charges for the Central Bank. The liberation of these resources is out of the question because of their impact on the monetary base (primary currency emission).

The reinstitution of the directorate of the public debt in the Central Bank marks the return of expert Jose Julio Senna, another "kid," to direct the "open" policy. The market is expecting that Senna, who is now director of the National Association of Open Market Institutions (ANDIMA), will establish consistent and stable regulations for the "open," similar to what occurred when Claudio Haddad was director of the public debt, before the directorate was eliminated in December 1982.

Until the banking reform transfers it to the Finance Ministry, the management of the \$120 trillion public debt will be Senna's responsibility. The new director will have to demonstrate great skill to restore the "open" as the principal instrument of monetary policy, particularly since the annual expansion of the monetary base has reached a record 268.7 percent, and at the same time avoid having the Treasury pay real annual interest rates of more than 20 percent, above the monetary correction, to roll over the notes in circulation.

Roberto Castelo Branco, another "kid," will take over as director of the capital market area, which will gradually have more normative than operational functions and should respond to the market's longing for an end to the daily flood of resolutions, circulars, circulatory letters, communiques and telexes from the Central Bank, constantly changing the rules of the game.

## Regulation

With broad experience as the former chief of the Capital Markets Department and current director of the Capital Markets Area, Iram Sequeira Lima will take over the directorate of regulation, to be created, although he is criticized for his part in the so-called financial institutions liquidation industry. The charge is leveled by Dêli Borges, former chief of the Capital Market Regulatory Department of the Central Bank, one of the key figures in the Coroa/Brastel case.

This weekend, Helio Ribeiro, president of the Regional Bank of Brasilia, was almost assured of the Directorate of Rural and Industrial Credit and Special Programs of the Central Bank, with the support of the bank staff and, principally, of Vice President Aureliano Chaves, future minister of mines and energy. However, Helio Ribeiro will take over a directorate which will soon be eliminated, because of the withdrawal of the subsidies and the gradual reduction of the participation by the monetary authorities in the financing of agriculture.

## Administration

The Central Bank's Directorate of Administration will be filled by Paulo Roberto Franco Ferreira, a career officer with the bank. The Central Bank staff has been pulling for his confirmation because they feel that the current underchief of office of the presidency has the ability to open up the bank's career schedule to thousands of civil servants in isolated categories.

## Langoni: Greater Realism

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 17 Mar 85 p 50

[Text] Carlos Geraldo Langoni, former president of the Central Bank, said yesterday that the Tancredo Neves government would bring about a more realistic renegotiation of Brazil's foreign debt, by bringing together individuals "with great competence, good sense and clear vision," men like Olavo Setubal, as foreign minister, Joao Sayad, as planning minister, and Carlos Lemgruber, as president of the Central Bank.

"It is a competent group, with experience in the market and in public life," Langoni observed, pulling for his colleagues in the Getulio Vargas Foundation (FGV) to succeed in the Central Bank. Because he knows the group well, Langoni predicts that, this time, the government will adopt an austerity policy to reduce the public deficit, starting with changes in the debt renegotiation.

According to Mangoni, the model adopted in phases 1 and 2, and maintained in principle in this year's renegotiation, does not meet the country's needs, swelling the financial expenses of the state companies and, as a result, the public deficit and inflation. A Central Bank source recalled that, before they were chosen for the posts of president and director of the public debt of the Central Bank, Lembruger and Jose Julio Senna had already said they favored including the capitalization of the interest payments in the renegotiation of the debt.

"Cutting back the debt service on the state companies' foreign loans is the key to containing the public deficit and will permit economic growth with a decline in inflation. If the state companies' expenses are reduced, the government will

make headway against inflation without recessionary pressure," said the former president of the Central Bank. The Central Bank source noted that Tancredo would have to cut expenses for the transfer of the state companies' resources to the production of food, through the expansion of rural credit to provide incentives to the farmers.

Langonio said that the restabilization of the economy will require the adjustment of the government accounts. "This is the major task of this government. All the currents of economic theory, whether they are labeled monetarist or structuralist, and the politicians, beginning with Ulysses Guimaraes (PMDB/SP [Brazilian Democratic Movement Party/Sao Paulo]), president of the Chamber of Deputies, recognize the need to reduce the huge public deficit."

In the opinion of the former Central Bank president, credibility is the arm of the Tancredo government in reducing the public deficit and breaking down inflationary expectation. The new economic team will have to demonstrate its ability to contest the traditional position of the "illustrious figures" of the FGV itself, that the "recessive effects of an economic stabilization program are recognized as inevitable; from a technical standpoint, this is no novelty, whether we are talking about market economy regimes or centrally planned economies or hybrid regimes like ours."

Although he referred to a combination of factors capable of permitting economic growth with reduced inflation, Langoni insisted on the basic point: "The adjustment of the Brazilian economy demands that the government go further and bring up the question of interest payments at the debt renegotiation table. The disappointing behavior of exports in the beginning of this year demonstrates the difficulty of maintaining trade megasurpluses for years to cover the debt service. So it is necessary to recognize the problem and to rescale the debt service, through capitalization or refinancing, or risk sacrificing the whole strategy of controlling the public deficit and inflation."

6362

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CHILE

# ECONOMY MINISTER COLLADOS DISCUSSES DIFFERENCES WITH ESCOBAR

Santiago EL MERCURIO in Spanish 3 Mar 85 pp D-1, D-2

[Interview with Modesto Collados, minister of economy, by Maria Angelica de Luigi: "I Am an Orthodox Minister of Economy"; date and place not specified]

[Text] He took office saying: "It is necessary to forget academic discussions and attack unemployment....A country with 30 percent unemployment is not viable; a country with 100 percent inflation will be uncomfortable but viable." He added: "What good is it for a youth to have a parka from Taiwan if he does not have a job?"

That was in August 1983. Modesto Collados carried under his arm a spectacular housing program (60,000, 70,000, 80,000 in 3 years with state aid). All the businessmen applauded furiously.

In April 1984, he took over economic leadership with former minister Luis Escobar. These same businessmen sang. Like the other opening the country experienced, this inaugurated an "economic opening, flexible, pragmatic."

Today the business chorus has fallen silent. Only some, those most enthusiastic before, have been "surprised" to see Modesto Collados now teamed with the young Hernan Buchi. What is he doing at this new stage that they call a "turn backward" for economic orthodoxy? Has the minister changed?

In a long conversation with EL MERCURIO, he stated: "No, I have not changed. It is pitiful that it takes 2 years to understand that the minister who leads the economy is an orthodox minister, absolutely orthodox in the principles of a social market economy."

He explained this.

## Principles

[Question] You say that you have not changed, Minister, but you will at least recognize that the circumstances when you took office are different than the current ones. From the so-called "opening" to the state of siege....



[Answer] I have always maintained a complete opening with the vital forces involved, first from my position in the Ministry of Housing and then in the Ministry of Economy. As to the state of siege, it has been misunderstood so much abroad that it is not fair to present it inside the country as they understand it abroad. In Europe and in the United States, the state of siege has a connotation of war. They imagine that the country is filled with soldiers armed with bayonets in the streets. But we do not even have a curfew here. It is nothing like that. It is a question of coming and seeing the country as some foreigners have done, seeing how we live peacefully and with great freedom.... One of the forms of freedom is, for example, how the economic question is discussed. There is open criticism and I am happy about this....

[Question] Part of that open criticism is that you head a team with Minister Buchi. It is said that you worked with Luis Escobar on the premise of first the emergency, then adjust the national accounts. Now with Buchi you do it in reverse: first organize the accounts and then solve the problems to the extent possible....

[Answer] No, that is not true. There is no first or second now. We are thinking about the two things at the same time. It would be a serious mistake to be too theoretical, to think exclusively about the big numbers in the economy and stop worrying about the here and now. When the president appointed me in April 1984, it was with very clear instructions that I will summarize from memory. First, the social market economic policy is to be maintained and I have been a preacher for that....Second, he said: You are going to act with a pragmatic and flexible criterion. Since I have been invested with that clear direction and since I am simply an arm of the presidency--that is what a minister is, the one who does what the president says--I apply those two guidelines. First, I do not forget the principles; I never forget the principles... and, by God, that is hard.

[Question] Didn't you think sometimes that, temporarily and in case of emergency, those principles could be compromised a little?

[Answer] Not the basic principles. They cannot be compromised! How are you going to compromise the basic principles of the social market economy? If you want, I will repeat them for you. There are four that I always mention in my talks and everywhere. That is why they say I am a philosopher. This has nothing to do with philosophy, though. It is simply a matter of being loyal to the principles and responding to the mission that has been assigned. Also, I repeat that the president told us: Be pragmatic and flexible. In other words, act based on the principles using good judgment, not a dogmatic criterion.

Escobar and Buchi

[Question] Well, what many sectors, especially business ones, have said now is that today you head an economic team that returns to inflexible, dogmatic practice. Concretely, it is said that this is the return of the Chicago Boys.

[Answer] Well, that is very untrue and very unfair. In the first place, there is no dogmatism or inflexibility here. If by saying that they are referring

to the latest changes, it is merely because they do not know the minister of finance. I began to get to know him when I came in August 1983. In other words, for almost 2 years I have worked beside Minister Buchi who was minister of ODEPLAN [National Planning Office] before.

[Question] From that position he stopped your housing program that was announced as spectacular....

[Answer] No, he did not stop anything. The program I had was spectacular. What has been done in housing is spectacular. We did that program with ODEPLAN....Look, it is necessary to fight for ideas. Ideas are born from an exchange of opinions and positions. Frequently at the beginning there are different positions. In this specific case, the national housing program that Minister Poduje directs now so successfully and brilliantly was born from two different opinions or from several different opinions....Therefore, what is important is that at a certain time, for a certain case like the Chilean economy in 1985, solutions are born from the contributions of all the people who know about the subject, not just those who came from a certain university. I cannot say a priori that because they come from a certain sector they are wrong either. I cannot criticize dogmatism by being dogmatic. I have been absolutely open to all opinions....

[Question] It is not from you that they fear dogmatism. It is from Minister Buchi....

[Answer] I will explain that right now. That is what he has least, what he has least. If there is one practical person, it is Hernan Buchi. He is more practical than I, without any doubt. I am a much more theoretical man, much more devoted to general ideas, more fascinated by general ideas. This man is a practical man. Look at the things he has been. He has been assistant secretary of economy....

[Question] He was involved in the labor law, budget reform, modernization of education....

[Answer] Of course, a number of things. What did he do in all of them? Practical things. If you look, he did practical things in all these sectors. I do not see any theorizing. Naturally, we are not the ones who will judge; the country will say and history will say. However, if you think about forming a team, if you want to form a team that complements itself, here you have a team of an older, experienced man who likes general ideas and a younger, inexperienced man who is very practical in what he does.

[Question] In other words, you feel absolutely confident about forming an economic team with Minister Buchi?

[Answer] Absolutely confident. I am sure of that. It gives me great joy because we work together very comfortably and optimistically.

[Question] That is not what happened with Minister Escobar.

[Answer] What happened with Minister Escobar? He is a man of great worth who did very good work that should be recognized by history. The work he had to do in his time was extraordinarily useful but I began to have technical differences with him. Technical differences--I say this specifically--technical differences that do not have anything to do with personal differences.

[Question] What specific differences?

[Answer] Basically they were fundamental ideas about the role of the state, about tariffs. We were diametrically opposed in our philosophies. Naturally, we both rose above these differences for the public benefit. I feel much happier working with a minister like Buchi with whom I have the same points of view on the most important economic aspects. I have nothing against former minister Escobar. Absolutely not. It is perfectly legitimate for him to have his differences. As a person, I repeat, he was very pleasant to work with because he was very educated, very intelligent, a hard worker and very nice.

#### Tariffs and Deficit

[Question] Has this team on which you feel so comfortable begun an adjustment of the accounts that "flopped" beginning in the second half of last year when Minister Escobar was there?

[Answer] There are many reasons at the Ministry of Economy. It is absurd to say that there is just one reason for things that happened. Obviously, in the course of the economy last year, the last quarter was a depressed quarter.

As an immediate cause, you have the financial events last September--that is, the devaluation and tariff increase. That clearly brought us 8-percent inflation in October. In my opinion, that was one of the reasons we had that depression.

[Question] Was that one of the things on which you did not agree with Escobar?

[Answer] Yes, I did not agree with the tariffs. That is why it seems to me that it is necessary to return to a system of lower tariffs, but with the pragmatic criterion that the president asks us for. We are not going to lower them overnight for the mere pleasure of saying that we were right. It is necessary to do this gradually. After this drop in March, they will go down again at the beginning of next year until they reach a lower and more even rate....

[Question] Until they reach 20 percent?

[Answer] No, the only thing we can say is what has been established and what the president has indicated to us about these two steps, March and the beginning of next year. Now, I personally--I emphasize personally--think it would be good to reach 20 percent....

[Question] This year?

[Answer] No, no. This year we should not do anything more to it. It is necessary to be cautious in economics. Anything that is done in economics has

repercussions. The drop in tariffs means a budget reduction. It is not that simple. When you lower the tariffs 5 percent like now, you lower budget revenue 5 percent. We have already had to cut the budget very severely for other reasons....

[Question] But you agree with reducing the budget. That is one of the things that Minister Buchi is going to do. One of his stated objectives is to attack the fiscal deficit that Escobar increased last year....

[Answer] I agree with reducing the high budget we had last year. Chile's fiscal budget is high. We had already approved a budget for 1985 in the legislative branch which is higher in relation to the gross product than last year's.

[Question] But now you are going to reduce it. What sectors will be affected by the cuts to adapt to the 3 percent fiscal deficit promised to the IMF?

[Answer] They are studying the corresponding reductions.

[Question] Where are you going to reduce it? There is fear that the reductions will be made in the government expenditures to create employment or to help the poorest sectors.

[Answer] The state is going to continue to do that.

[Question] Where are you going to reduce it? There is fear that you will reduce it in health, for example, or education or the milk programs or the PEM-POJH....

[Answer] Well, that is the problem we are analyzing....If you have a reduction in income at home, you have to cut your budget, right? You have to take it out somewhere.

[Question] I would take it out of extra expenditures, less clothing, no trips to the beach....But I would not take it out of food or education for the family.

[Answer] We are studying reductions using that same criterion. Also these are insignificant reductions. Whether you have a 4.5 percent fiscal deficit or 3 percent--actually, 3.5 percent because the truth is that there will be a deficit of 3.5 percent--is a minimal difference. If they tell you that your family budget will be reduced by 1 percent, the truth is that this is not so serious. I am going to tell you that a problem like this is nothing like the problems in other countries we know of where they have 1,000 percent inflation. What concerns you is whether we are going to reduce the social welfare budget. We are not going to reduce any part of that. We are going to reduce current expenses, trips abroad, all these things where the public budget can be reduced. Unfortunately, it might be necessary to make some small reduction in projects, small because we are talking about 1 percent. When I choose that reduction, though, I am not going to choose potable water projects for the working people but, at best, some bridge here or something a little less essential.

Not Pay?

[Question] The problem is that you say you are going to reduce very little but the old debate in Chile since the recession began is that the state would have to do even more to get through the emergency, not less.

[Answer] Here is 1984. Last year was one of great achievements. What was done in housing, for example....

[Question] But this year it will be less....

[Answer] It will be more despite the reduction. Look at housing, for example.

Last year 17,000 subsidies were provided. This year they have just announced 19,000. That has already been cut because they were going to offer 19,500. Imagine, 500; that is how we are cutting back.

[Question] Well, Minister, it is more than last year but less than some feel should be done: provide more employment, carry out more projects, 60,000 or 80,000 housing units as you proposed when taking that position.

[Answer] It has been doing that. Of course, we are far from those figures. When the housing units provided last year are totaled, they will equal 52,000. These are enormous figures; they are great figures. Some 270,000 jobs is an immense figure that corresponds to an enormous amount of work that was done the year before. In social projects, there are the school breakfasts, the school lunches, the lunches provided in the summer that were not given before and extension of the family grant from 8 to 15 years of age. Don't tell me that all those things are not enormous, enormous achievements in the social field. No one can deny that. I believe that this is the time to begin to worry a little more about the long-term future. As I said, lift your eyes from today and look ahead....

[Question] It is a success, then, Minister. The question is: Don't you think that the situation of the country would need more than that success?

[Answer] What I think is that more cannot be done. It is not that more is not needed. It is that more cannot be done. Last year we did all these enormous things that were a success. Instead of having a 1 billion surplus in the trade balance, we had 300 million. Then we had an expenditure of \$700 million more in domestic consumption, all directed toward the people with the lowest income. We cannot continue doing this. It might be very nice but the country is going to die....

[Question] Why?

[Answer] Well, because you cannot continue spending more than you bring in. If we do not pay our debt, if we are so ignorant, naive and low-born that we say we are not going to pay, then the next load of copper or fruit that we send to Hamburg or someplace else will be embargoed when it arrives. If one does not pay, the first thing they will do is use the embargo and make the



guarantee effective. This should be said to the people. Because people say, what will happen if we do not pay? They think that nothing will happen. That is what could happen. That did happen to us under the Popular Unity. Chile is not going to do that. Chile can and wants to pay. That defines this country: it can and wants to pay. Since we live in a world where there are many countries that do not want to or cannot pay, we are an island in that sense.... But I want to explain once more that this country wants to and can pay. It is not going to stop paying because it wants to find a final and total solution to the social problem. No country in the world has accomplished this.

#### Employed and Unemployed

[Question] Does that imply--as many have predicted--that this year is going to be very hard, a year of sacrifice?

[Answer] I see it as very hard with many sacrifices. I see it as difficult because, as I told you, we have to devote a good part of the national effort to paying the debt. It is like someone who is in debt and has to decide how he is going to handle the future. The person has to limit his expenses and, in this case, it is necessary to limit the expenses of the country.

[Question] Well, that restriction hits hard, not only for the unemployed but also those who live on wages. Despite the control of the deficit and the monetary policy that is announced, inflation this year will be about 25 percent, it is said. That means 25 percent less in purchasing power because of unadjusted wages.

[Answer] What about the January adjustment? Adjustments are made once a year so....

[Question] That adjustment was only to ease the effects of the September devaluation and only for the public sector.

[Answer] The private sector will have to follow a similar line, then.

[Question] Do you think that it will?

[Answer] I think so. I think that it is going to spread. In any case, I want to explain. You quote me that the wage earner suffers the most. No. There is another who is worse off, the unemployed. When we make an effort to provide employment, those who have employment on all levels are making this effort. The money has to come from somewhere. We could choose. We could not provide employment but raise salaries as many would like us to do. That seems to me much more unfair than providing employment because the one who is unemployed is at zero and has to be given something. Also the effect is better for national production and for community life in Chile, for human relations in Chile....

[Question] You had other expectations about unemployment when you took a government position in the Ministry of Housing 1.5 years ago. You spoke then of reaching only 4 percent in 3 years....



[Answer] That quote has been taken out of context....I was talking about the construction sector, referring to the 3-year program at the Chamber of Construction. All these things are forgotten....

[Question] Don't you think the 4-percent unemployment is a feasible aspiration?

[Answer] It is very, very difficult because there is structural unemployment, typical of the era, that has worsened in the last 2 years. It exists throughout the world. There is no country today that has unemployment lower than 8 percent. The lowest is the United States and it is about that. The European countries--Belgium, for example--have a rate of 18 percent. At this time, there is a reality called structural unemployment....

[Question] Is the view from the government what made you change the expectations you had about lowering unemployment?

[Answer] Look, we provided 270,000 new jobs in 1984. That is an immense number. I believe that is the greatest thing done in 1984, provide employment.

It is the most important thing that was done--270,000 new jobs! That is real work, a truly great thing that was done, considering that all were productive occupations.

[Question] How many more jobs will be provided this year, Minister?

[Answer] I think this year we will not be able to make such a great effort.

Another Minister?

[Question] It has been understood that the new economic stage that you begin now has exports as its motor. The problem, Minister, is that the same thing can occur as last year. There is nothing to indicate that the dollar is not going to continue being low as in 1984 and the international interest rates are not going to continue being high. How is that strategy going to work?

[Answer] Look, it is possible. There will be some solution. I can tell you one thing. We are not going to dictate a decree to raise the price of copper and we are not going to dictate a decree to lower interest rates abroad. Why do we say those naive things? It is a matter of facts, real facts. I am not at all optimistic about either of those two international prices--that the price of copper will rise or that interests will drop.

[Question] Why is the strategy based on exports that are so vulnerable?

[Answer] What do you want? Should I base the strategy on lies? Should I say that the price of copper is going to go up?

[Question] The question is: Since this solution of increasing exports is such a long-term solution--due to the effect of external factors--why not base your growth strategy on raising up the prostrated national industry?

[Answer] What do I use to pay the foreign debt? If I have to pay the foreign debt in dollars, I cannot pay it with national production that I consume right here. I have to pay it with things I export or things that replace what I import. One example is wheat production. This year is going to be extraordinary but the people do not see this or say it. The wheat problem this year is that the farmers are drowning in wheat. I would like to have that problem everywhere and in every country. I would like for Ethiopia to have that problem. Have you seen the photographs of Ethiopia? Well, go there and show them pictures of Chile where the farmers are drowning in wheat, where the problem we have today is that there are no warehouses to hold the wheat. There is \$150 million less that we have to pay for imports....

[Question] But the price of bread continues to rise for Chileans. With the new devaluation, we will continue to drown in wheat, as you say, but bread will be more expensive....

[Answer] I am going to take \$150 million to pay the foreign debt; therefore, I am benefiting all Chileans. To do anything else would mean we would not pay and we would have an embargo in Hamburg. That is the alternative, then. The people are very theoretical. The other alternatives are the inflations we have around here. This is an organized country. You do not know what that means. At this time, for example, I am telling you that on 5 March the unemployment figure for December will be announced. This means that, at this point, Chile has its national accounts closed. This is order; this is order! I challenge any other country to do the same. The United States found in February that its gross product had grown 6.9 percent last year. They believed it had risen 4.9 percent and it was 6.9 percent. They have all the computer possibilities, all the facts at their fingertips. However, they have just learned this. This poor, small and distant country of ours closes its national accounts with absolute precision at the end of February. I said in December that we were going to have 5.9 percent growth of the product. Do you remember? Well, the year has just ended and we already know that the exact growth was 5.91 percent if you measure it in 1977 pesos and 5.93 percent if you measure it in dollars.

With that precision, we know what is happening to us in this country. We are the country that has the oldest statistics office on the continent, 140 years old. There are countries on our continent that do not carry out a population census. They do not know how many people they have. That is the difference. In many ways, we are an extraordinarily organized country, extraordinarily modern. When people from the World Bank or the IDB come to talk to us here, they tell us: "We can see how organized you are." In addition to being organized, we are honest. Each one of the state divisions is in the hands of an extraordinarily honest person directing what is being done. We are a country of which we should be proud.

[Question] Excuse me, Minister, but you give the impression of being another minister. When you took office, you showed greater concern for unemployment, about the lower purchasing power, about the situation of national industry.

Now you seem more concerned about these accounts that you say are precise and clear....

[Answer] No, you are not listening to another minister. You are listening to a minister who thinks about both things. Anyone who does not think about both things is crazy. I have to think about both things. We continue to think about the social aspects. If we think exclusively about the social aspects and we sink the country as an economic entity, we do poor service for those we are helping. Flowers don't bloom overnight. You are talking to the same minister, the same minister.

It was the circumstances that led the president in August 1983 to call for a minister who saw a social aspect that had to be resolved immediately in a practical way. At that time, they did not want to build housing by the public sector, they did not want to give subsidies based on very respectable economic doctrines. One person came who said: "No, sir, these things must be done." It is absolutely necessary. This was the reverse. The social aspect could not be neglected--it did not matter if we owed a lot or a little--because what we had ahead was the social revolution. It was necessary to do something; it was necessary to do something for those compatriots. This was done and done brilliantly.

Orthodox

[Question] You insist now, Minister, that we are going to grow 4 percent?

[Answer] That figure is not pivotal. That is something I want to explain to you. It is not pivotal. The economy is not built around the figures of how much we are going to grow. You do not tell your child: Look, you are going to have to grow 10 centimeters between 14 and 15. His growth depends on whether he is healthy, he lives well, he develops well. These are the things we have to do with the economy. We are thinking about growing about 4 percent. If it does not reach 4 percent, that is not important to me. That is not a basic factor. I am not going to sacrifice other things to reach those figures. Inflation seems much more important to me, for example. We are going to sacrifice whatever is necessary in order not to have runaway inflation.

[Question] Why?

[Answer] Because runaway inflation does infinite harm to the economy. Look at any country that has runaway inflation. It does not have control.

[Question] I am going to remind you of another phrase of yours, Minister, when you took office: "A country with 30-percent unemployment is not viable; one with 100-percent inflation will be uncomfortable but viable."

[Answer] Again...August 1983. At that time, it was more important to fight unemployment than inflation. That is what that phrase meant. Today the two things are equally important.

[Question] What would you say to those businessmen who are afraid of what they call a "new recessive adjustment" and are surprised that you are at the head of this economic team?

[Answer] I believe that those businessmen are wrong. The great majority of them think otherwise....I believe that the great majority thinks that we are going in the right direction. In everything we do, we will refer to the basic principles of the social market economy. That is the most important thing for the private sector. The people have a tendency to forget. We have a tradition in Chile of very different ideas that flourish from time to time: Fix prices! Fix quotas! Fix different dollar parities! These things were used in other times and go against the basic principles....

[Question] They are heterodox emergency measures to solve the problem....

[Answer] No, these are solved with orthodox measures. The heterodox measures have the serious problem that they spread.

[Question] Aren't you spreading orthodoxy, Minister?

[Answer] I am not spreading anything....If someone is doing this, it is the others. The president appointed me minister of economy on 2 April. I think on 4 April I said: "These are the principles of the social market economy." If there is a preacher about this, it is Modesto Collados. No one can come tell me that I have changed at all because I began with this, I am going to continue and I am going to end with this. We are not going to fix prices or wages; we are not going to fix things. Fixing things is a simplification that comes from ignorance of economics. It is pitiful that it takes 2 years to understand that the minister who leads the economy is an orthodox minister. Absolutely. I do not see why anything else was thought.

7711

Doc: 444/1002

CHILE

APPLICATION OPENED FOR THIRD COLONIZATION OF SOUTH

Santiago EL MERCURIO in Spanish 20 Feb 85 pp C-1, C-2

[Text] In this third stage the Ministry of Land and Colonization will put up for bids 10 parcels of land between 615 and 10,368 hectares in size and valued at 222,000 to 2,879,500 pesos.

Between today, Wednesday, and 15 May interested parties may obtain application blanks for the acquisition of land in Puyuhuapi, Region XI, under the third stage of the colonization plan for that area, developed by the Ministry of Land and Colonization.

Yesterday, Julio de la Fuente, acting undersecretary of the Ministry, made this announcement at a press conference. He said that on this occasion the call is for a total of 10 lots varying in size between 615 and 10,368 hectares and priced at between 222,000 and 2,879,500 pesos.

De la Fuente said that the lands will be awarded after an investment plan is presented which provides for the optimum use of the area's natural resources and guarantees its being inhabited. Interested parties may present their plans up to 31 May 1985.

Copies of these application blanks may be obtained upon payment of 1,500 pesos at the Ministry of Land and Colonization or at any of the Ministry's Regional secretariats.

The period for evaluation of the projects presented and the selection of the bidders will begin on 15 May. After this, the heads of the groups receiving the awards must set up their residence in the area within 6 months.

Base Camp

The Puyuhuapi sector is about 200,000 hectares of former forest preserves which are suitable for habitation. For this purpose the area has been divided into 43 lots ranging in area from 615 to 14,410 hectares. Following two previous offerings made in 1984, 116,928 hectares divided into 26 lots were settled by 82 families consisting of 272 persons.

The base camp was set up in lot 21 at Seno Melimoyu. It has an ECA (Agricultural Commerce Enterprise) grocery store, a post office, a first aid station, a radio transmitter, four heliports and paths connecting the different plots.

De la Fuente stressed the collaboration in these plans of the Ministries of Transportation and Telecommunications, National Defense, Public Works, Economy, Health and Housing, in addition to the advice of such bodies as INDAP [Agriculture and Livestock Development Institute], CONAF and IFOP [Fishing Promotion Institute].

#### The Region

De la Fuente, who was accompanied at the press conference by Luis Vigoroux, acting head of the Population Division of the Secretariat, reiterated the government policy on colonization, especially in regard to Region XI.

He pointed out that both because of the type of its natural resources and the state of its habitation, this region cannot be dealt with using the same criteria as with the rest of the territory. If this is not taken into account, he maintained, there is the danger of destroying its potential.

As to the growth of its population, he said that in 1970 there were in this region about 51,000 inhabitants while in 1982 there were more than 64,000 inhabitants, a 2 percent yearly increase.

De la Fuente also stressed the policy of the government granting titles to the land to its inhabitants, both to colonists already there and to new ones. He stressed that clarification of the status of the former should be completed before the new immigration begins. In addition, he stressed the number and type of exemptions granted by the State in order to expedite the process, such as dispensing with mortgages on the lands.

He also spoke of tasks the ministries would undertake in 1985 resulting from the plan to populate the south. Among other things, he mentioned the beginning of an evaluation of the work done by the first colonists and the determination of the basic need for infrastructure in the area as well as the continuation of the guarantee of ownership titles.

9204

CSO: 3348/428



CHILE

# NEW BANKS SUPERINTENDENT RECEPTIVE TO BANKERS' PROBLEMS

Santiago EL MERCURIO in Spanish 8 Mar 85 p B-1

[Text] The Association of Banks and Financial Institutions held its first meeting with the new banks superintendent, engineer Guillermo Ramirez. He officially took the position last Monday replacing Hernan Buchi; the decree was published in the DIARIO OFICIAL last Saturday.

The meeting between the board of directors headed by Jorge Yarur and the new superintendent was held in the office of the board. All its members including the alternate directors and representatives of the foreign banks attended. They called the meeting "very positive."

According to the reports compiled, the meeting was "frank enough." One of those who attended indicated: "Jorge Yarur was emphatic in pointing out that the banks are being smothered by new laws, reducing chances for development."

It was also indicated that the rationality of the measures implemented recently by the Banks Superintendency was recognized even though there was still disagreement about the timing. Ramirez proposed applying them gradually.

In his speech, Ramirez pointed out that he was an essentially technical person and that he would work as superintendent within that context.

The role of his entity, according to him, is supervision of the operations of the banks, not to catch them but to prevent possible mistakes or problems.

He also referred to recent circulars, stating that they have different effects on each bank. He is willing to study any well-grounded proposal.

In another part of his speech, Ramirez asked the bankers for their best effort to channel the system toward complete normalization.

The bankers who attended asked for greater freedom in order to have better development of private banking. This proposal was welcomed by Ramirez who indicated that it must be accompanied by stronger bank professionalism.

### Intervened Banks

At the meeting, Ramirez reported that the normalization process of intervened banks should begin in 2 or 3 months.

He acknowledged that investigations on the reception that the actions of the entities in that situation will have have yielded positive results. This creates the hope that the capitalization process will be quicker than expected.

### Debtors Agreements

Another point analyzed was the situation of the different agreements to renegotiate debts signed with different enterprises. Unfortunately, the bankers indicated that some of them are not solving the problems because they are incapable of continuing to pay their debt services.

The bankers proposed making the mechanism of debt capitalization flexible in order to help resolve the problem. Ramirez will study this.

### Effects of Earthquake

Another point discussed was the effect that the earthquake had on the banks.

There was damage to their assets like the damage to the bank headquarters, branches, installations and machinery. There was also deterioration of the assets of the bank clients which still cannot be measured.

7717

CSO: 3348/469

CHILE

HAVANA COMMENTS ON SITUATION

FLO21606 Havana Television Service in Spanish 1136 GMT 2 Apr 85

[International Commentary by Roberto Agudo and Nestor Labrada]

[Excerpts] [Agudo] Good morning. The fuse that leads to the powderkeg has already been lit in Chile at this time. It is one of the most explosive situations not only in Latin America, although it may be the only Latin American country that has these exceptional conditions, but in the whole world. Well, you ask yourselves what are the basic issues in this situation of violence, tension, and crisis which is increasing not only daily, but by the hour.

[Labrada] Well, first of all, a national mourning is being held today there called by all Chilean opposition parties, while the teachers union has also called a national strike to condemn and at the same time demand clarification of the crimes committed by Pinochet's military junta, especially on the recent assassinations last Saturday of six persons, three of whom were kidnapped Friday. This has brought about national and foreign repudiation. These assassinations indicate that Chile, Pinochet's regime, is firm about remaining in power, come what may.

[Agudo] The regime does not make any type of religious or ideological distinction in this violent repression.

[Labrada] Yes, Agudo I was just going to refer to that. Of the three persons who were assassinated, that is three of the six who were assassinated and found Saturday, one of them was Professor Manuel Guerrero (Seballos), who was a member of leftist organizations, and the other assassinated person was Jose Manuel Parada, a sociologist, who was a member of Santiago de Chile's vicariate. Thus, both the leftist and religious element assassinations by Pinochet's junta, indicates that Pinochet will not make distinctions in measures or classes of any type to continue in power.

This repression which Pinochet has launched, especially recently, can be added to the economic crisis the country and the world is going through. And, the economic crisis which has worsened in Chile coincides with the economic policies applied by Pinochet when he came to power. The serious economic crisis in Chile is due to Pinochet's economic policies which were

seen as the best for capitalist interests, and where the most sophisticated methods of the so-called Chicago School were implemented.

I believe Agudo, that public outcry for the disastrous economic policies and repression unleashed by the regime has not been late in coming. It started, if I remember correctly, in 1983 when the first national protests began and later, in (?October) 1984, the first nationwide strike was held. Thus inspite of the regime's repression there was a national strike to protest this repression and disastrous economy which brought ruin to many Chilean middle class sectors.

[Agudo] This is important Labrada, that Pinochet is not only finding opposition from the workers, but that it is affecting the middle class, and even some sectors of the upper class are feeling this.

[Labrada] This has made Pinochet feel increasinlgy isolated and more pressured by Chilean social sectors, and has provoked a response from the people which has already been seen in, for example, the national strikes and protests, and now also in the revolt type of actions which are occurring in Chile. One of these last types of actions was conducted by the Manuel Rodriguez Movement which made what we could say was the last revolt action in Chile.

[Agudo] Analysts believe that although Pinochet is isolated and the moment of explosion and very violent public outburst is near, Pinochet does have in his hands the fundamental element of power in Chile, which is the Army.

At this time, cracks are not in evidence within the Army. Among other reasons, because at this time there is no career officer in Chile that wants to be in charge of the government due to the serious economic crisis which exists.

We must indicate at the same time that this U.S. administration is worried about this situation, it is at a crossroads in alternatives because it would perhaps like to take Pinochet out, but it cannot until it has a replacement. And, on this I would like to say that we must take into consideration and closely follow the steps taken by Mr Sergio Onofre Jarpa.

Onofre Jarpa was linked to Pinochet. It is said that he is Washington's man, but they are trying to clean him up a little from the esthetic-political viewpoint to propose him as the person to take charge of this serious situation in Chile.

CSO: 3348/556

CHILE

BRIEFS

SOCIALIST LEADER'S PRESS CONFERENCE--Secretary General of Chile's Socialist Party Clodomiro Almeida has given a press conference for the local and international press in Berlin, the GDR, at which he talked about the present situation in Chile. Almeida referred to General Pinochet's escalating fascism. [Begin Almeida recording in Spanish] These crimes do nothing more than strengthen the Chilean people's resolve to fight until overthrowing the Pinochet dictatorship. They have shown that it is impossible that the tyrant Pinochet will continue to govern our country until 1989, like he believes he will. The student and teacher strike throughout the nation protesting the cowardly assassination of Professor Guerrerro, the expression of the Chilean peoples united will to jointly fight the dictatorship that has manifested itself in the past few hours. [passage as received] [End recording] [Text] [Havana Television Service in Spanish 1700 GMT 3 Apr 85]

CSO: 3348/556

CUBA

# SOCIAL MECHANISMS TO ACHIEVE PERMANENT DEFENSE PREPAREDNESS

Havana GRANMA in Spanish 4 Feb 85 p 2

[Document approved by the 10th Plenum of the Cuban Communist Party Central Committee, held on 24, 25 and 26 December 1984: "On the Political-Ideological Work for the Defense of the Nation"]

[Text] The arduous task of defending the Revolution and the achievements of socialism in our country have been the constant main concern of the Party, the state and especially Comrade Fidel.

The enemy has not stinted in its criminal efforts to use all means to destroy the Revolution, including the option of military force. With the installation of the ultra-rightist team headed by Ronald Reagan in the United States Government, the international situation deteriorated drastically, and tensions were higher than at any time since the end of World War II.

In addition to the overall threats to humanity today posed by Washington's rash militarist policy, it is taking an aggressive stance in Central America and the Caribbean, with an emphasis on direct threats to Cuba.

The risk our country runs and the possible consequences are clear, as the first and second secretaries of our Party have warned in recent years. They have also provided specific guidance for the country's general preparations to defend our sovereignty at all costs.

It is impossible to predict at this time precisely what course Reagan's foreign policy will follow during his second term. As Comrade Fidel has noted, attention to defense should be a general rule for us. For this reason, no matter what happens, we must continue our preparation so that we can rebuff any aggressive threat to national territory.

In recent assessments of the current political-military situation, the commander in chief has presented the conclusions drawn by the Party leadership regarding the probable nature of an imperialist military aggression against Cuba. It could take the form of surprise attacks aimed at destroying, or at least neutralizing to a great extent, our technology and weaponry, key elements of the economy and communications, and other important factors.



These evaluations also express the conviction that a U.S. attack, if one comes about, would be on a large scale, given their technical-material possibilities and the certainty that they would take aim at the capital of the republic for the purpose of annihilating the leadership of the Party and the state, occupying the city, intimidating the rest of the country through terrorism and other means, and thus trying to demonstrate to our people how futile any resistance would be and presenting a fait accompli to the world.

Misled and emboldened by their pyrrhic victory in Grenada, the U.S. Government may mistakenly feel that the same recipe would work in Cuba.

At the same time, we are preparing to face any other form of military aggression, such as massive bombings in a systematic war of attrition, a total blockade, mining our ports, or other variations, and even a combination of several of them.

Based on this assessment and on cumulative experience, and in keeping with the conviction that the defense of the nation and of the Revolution is the mission of all institutions, organizations and agencies, with the massive participation by the people, new concepts have been devised in our military doctrine to engage the Revolutionary Armed Forces, the state apparatus, the party structures and the broad popular masses organically and multilaterally in the tasks of defense.

For example, as a result of the "Bastion-83" Strategic Exercise, the commander in chief issued Order 04 for the purpose of studying experiences and defining the measures that will improve the country's defense plans. The order establishes commissions and task forces that will propose possible alternative solutions, depending on the missions assigned, to evacuate resources and personnel, solve the problems inherent in the production and distribution of the special materials and resources involved in defense, and other tasks of great importance. The successful completion of these missions within the terms set forth will be decisive in preparing the country for defense.

The consistent and systematic military and political-ideological preparation of our people, aimed at making the country an impregnable fortress may be just what it takes to force the imperialists to think twice about risking an aggressive act that would inevitably cost them the greatest material and human losses they have ever experienced.

As the capabilities and deployment of the masses are expanded and the combat preparedness of all agencies, institutions and organizations is enhanced, the strategists at the Pentagon and the CIA will know that we are strong in all areas and will become convinced that in the long run they will suffer a resounding defeat, and thus it is more likely that no aggression will take place.

If they nevertheless make the insane decision to attack us, this solid preparation is the best guarantee of our unquestionable victory in defense of the fatherland and socialism.

It is of the utmost importance that a systematic ideological campaign be carried out to instill in the public's political culture the concept of the "War of All the People," and the profound conviction that defense preparedness is a constant necessity of the Revolution, no matter what administration is in power in the United States. The people should be aware that this responsible attitude, which can prevent aggression, will never be in vain, since for us avoiding war is the same as winning it.

One of the basic features of the political and ideological work in this area is the effort to convince each member of our society that the entire task we are carrying out today is aimed at preventing war and preparing ourselves--as the commander in chief stated on the occasion of the Bastion-83 Strategic Exercise--for the worst case, that of an enemy invasion in the event that we are unable to head off imperialist aggression.

Should such an event ever happen, we must devote all our energies to making sure that it also becomes the worst possible case for the enemy, through tenacious and unceasing resistance that will prolong the struggle and exact the highest price in men and equipment from the invader, while promoting an international reaction of solidarity with the heroic attitude of our people. This will guarantee victory.

This conviction is based on the very fact that even if the enemy does invade us, that will be his weakest moment from the military standpoint, and after that he will begin to pay the price we are ready and willing to demand.

As Fidel has already said, how many Yankee soldiers would it take to enable them to dominate a united people, in a war of aggression that would fuel the patriotic and revolutionary spirit of our people?

In such a case, nuclear weapons would be useless in the face of underground armed resistance in the irregular war that would be waged. They would encounter a veritable hornet's nest here, and all the Pentagon's theoretical calculations designed to maintain control of the country would be futile.

As the chief of the Revolution has also stated, let us not overestimate or underestimate our forces. Our ideas and concepts on the defense of the nation and the struggle of the entire population have been strengthened and developed as a result of the threat of aggression. Every inch of our territory has been studied; the plans have been drawn up, and every province, every municipality, every Defense Zone, and every corner of the country has its assigned mission.

Throughout these preparations, the ideological task should emphasize that our own forces are determined to resist and have devised the appropriate strategy, and should stress that if we are successful it is also thanks to the generous internationalist support from the Soviet Union, which at no cost has provided us with the means to fight under the best of conditions to safeguard the Cuban Revolution.

To carry out this task successfully, the Party, the Union of Young Communists (UJC), the State and the Mass Organizations have an obligation to play a key

role in the development of an intensive and comprehensive effort to accelerate the patriotic and military education of all of our people.

In this regard, the resources of propaganda and agitation must be utilized appropriately, as should the possibilities offered by the mass media, direct dissemination, and the actions of the members of the Party and the UJC within the labor and student collectives. We must also make the best possible use of the mobilization potential of our mass organizations to carry out a profound and systematic effort to foster awareness of the dangers, and absolute faith in victory.

To achieve these objectives, we must constantly refer to Fidel's teachings in the most difficult moments, and to the best examples set by our popular struggles in their various stages over the past century or more, first against the Spanish colonialists, then under the neocolonial republic, and in the last quarter century in the effort to assume political power and defend the accomplishments of the Revolution.

The political-ideological endeavors for the defense of the nation must be very careful to convey to the masses the essential nature of our efforts to defend such sacred values as independence, sovereignty, national dignity and the true and genuine freedom that we have obtained from more than a century of ceaseless sacrifice.

Moreover, on every occasion we must make it clear that we must also defend the achievements of the Revolution in economic development and social change, which have come about over the past 25 years as we have made health, education and culture in general a real right for all citizens, while at the same time eradicating unemployment, illiteracy, and racial and social discrimination, and placing women in their proper place in society, just to name a few of these radical changes.

As part of the structural and organizational improvement of the strategy for defense and the intensive military preparation of the population in the form of courses, rallies, training sessions, exercises and various means, such as the celebration of Defense Sundays, we must raise the ideological work to the highest possible levels with a view to instilling in every cadre of the Party, of the mass organizations, the State and the government, in every member of the Party and the UJC, and in every revolutionary a firm belief in the essential principles involved in the concept of the "War of All the People."

The actions of the Party, the UJC, the mass organizations and the state agencies must be aimed at successfully completing the tasks of preparing the probable theater of operations and carrying out the indispensable engineering works and whatever practical measures are adopted throughout the country.

All of this work requires a herculean effort on the part of our men and women, and the dedication and efficacy of the administrative elements, the construction brigades and other workers' collectives.

Special attention must be given to compliance with the specifications set forth by the second secretary of the Cuban Communist Party Central Committee

and minister of the Revolutionary Armed Forces, Comrade Raul Castro, for defense preparation in 1985, following guidelines formulated by the commander in chief.

We must instill maximum awareness of the need for high quality and speed in this work, and of its significance, so as to make imperialist aggression more difficult. We must gain every possible minute, every second, in preparing for a possible attack by the enemy. Thus, preparing well and quickly must be our constant goal.

Because of their direct influence on the political and ideological education of the masses, the Party and other elements must give constant attention to all the organizational, mobilization and guidance efforts of the defense task so that they can become increasingly efficient and their importance can be made known to all.

One action that reflects the people's profound awareness of national defense is the voluntary decision to self-finance a considerable percentage of the costs of the Territorial Troops Militias (MTT).

In the future, special attention should continue to be given to this effort because of what it represents, aside from its extraordinary economic value, in terms of the ideological education of the masses. Moreover, priority should be given to the efforts to recruit and train troops in the various units of the MTT, which have been assigned an essential combat role.

In the training of the MTT troops to carry out this task, we should now give priority to planning instructional and other activities, constantly raising quality and organizing these efforts in such a way as to eliminate time-wasting activities that irritate and sap enthusiasm.

It is also indispensable that we give great attention and support to the recently formed independent command of the MTT Corps in the city of Havana. All means should be coordinated to consolidate this entity, which is to be the key to the city's defense, considering the inherent complexities and the strategic importance of the capital.

The fronts in the mountains and marshes, which are vital elements in our Theater of Military Operations for the Second Stage of the struggle, that is, the Strategic Operation of resistance, attrition and victory within the framework of the "War of All the People," should thus receive the necessary attention during the preparation for national defense and the related political-ideological work.

The political and ideological work should contribute decisively to preparing and educating all cadres in the role that each must play in the event of military aggression against the country, including a possible temporary occupation of part of national territory.

In this regard, individual efforts must be stressed under circumstances where command and decision-making are decentralized and autonomy attains levels not experienced during previous stages.



All ideological efforts should be particularly aimed at instilling in every cadre, every member of the Party and the UJC, every revolutionary, worker, student, and in general every citizen, the profound conviction that regardless of the circumstances that arise in the war against the invading enemy, we must continue to struggle until its final defeat. We must always be determined, firm and uncompromising in our desire for victory, ever mindful of the teachings of our commander in chief, who said that as long as there is a single revolutionary and a single rifle, no cause will be lost.

To achieve this goal, it is essential that we create the necessary conditions in peacetime so that every citizen will have the means, a place and a way to carry out the struggle.

Each Cuban must thoroughly understand that neither officers nor soldiers give up, and that in our country there is a standing order to fight. Making this principle an increasingly firm individual and collective conviction will make the Cuban Revolution invincible.

Of particular importance is the need to intensify our propaganda, exposing the real nature of the imperialist enemy, its great power and attitude of superiority, the crimes it has committed in its military aggression against other countries, the atrocities committed by its occupation troops and the scorn they have always shown for other nations, as well as the subtle and misleading actions that have sometimes been used to demoralize and to achieve military objectives with the smallest possible number of casualties.

The political-ideological task under the present circumstances must contribute effectively to the clarification of the vital missions assigned to each of the structures set up to wage the "War of All the People."

An effort must be made to help the Defense Councils on the various levels gain a thorough and complete knowledge of their responsibilities and faculties, in addition to the tasks that have been assigned to them. They must understand them in all their complexity and step up efforts to encourage each member to master his specific task and become fully trained to execute it. Special attention should be given to the Defense Zones as the basic link in the chain where our socialist society will continue to live and work, and to the improvement and consolidation of the Production and Defense Brigades.

The military plays an important role in patriotic-military education and the defense preparation of the people. There is not yet a full and accurate understanding of its political significance, however, nor is there sufficient social recognition and appreciation of military life.

In not a few instances, families that have a revolutionary attitude toward different tasks and missions nonetheless make the serious mistake of harboring deserters from the armed forces, covering up violations by family members or friends who serve in the military, and even expressing negative feelings about the accomplishments of the military or regarding military service not as an honor and a patriotic duty, but rather a means of punishment or correction of defects and deviancy.

Internal factors within the armed forces have also had a negative impact on the conduct of military personnel, especially among enlisted personnel.

The political agencies and organizations of the Party and the UJC must step up their ideological efforts in the armed forces, and must work with the commanders, officers, sergeants, soldiers and sailors to encourage an exemplary attitude toward the tasks of operative, combative and political preparation and the improvement of the mobilizing and combative deployment of the regular units, the reserves and the MTTs.

Measures aimed at enforcing the principal guidelines set forth by the Ministry of the Revolutionary Armed Forces with regard to the strengthening of the country's anti-aircraft defense, the maintenance of communications under all circumstances, and the improvement of fortifications and concealment should be given top priority, considering that these are our principal weaknesses.

Moreover, within the Revolutionary Armed Forces efforts should be made to encourage personnel to master the concepts of the "War of All the People," without excluding the Military Education Centers (CEM).

By the same token, we must increase our efforts to strengthen the political-ideological convictions of all members of the Revolutionary Armed Forces. The political endeavor should make them more determined to fight until the total defeat of the enemy with the slogan, "Not a single step backward! Death to the invader!" They should become increasingly aware of their historical responsibilities in confronting the imperialist aggression as a shield that will ensure the mobilization of our people in the struggle, and these ideas should be reflected in the dedicated fulfillment of their military duties and in the consolidation of discipline.

In the ideological endeavor, a greater effort should be made to instill more affection and respect for the Revolutionary Armed Forces, to stress the honor that military service with discipline and sacrifice represents, and the importance of the adequate preparation of each member of society in order to defend the fatherland and the socialist revolution with dignity. Another goal is to extol and instill an understanding of the strong social responsibility that youths acquire when they join the military. The mass organizations, workers' collectives and the mass media play a major role in this task.

In workplaces, the Committees for the Defense of the Revolution (CDR) and the delegations of the Federation of Cuban Women (FMC), the various activities already being carried out with youths who are about to fulfill their active military service must be improved so that these young people can abandon their formal attitudes and gain a profound sense of revolutionary patriotism.

It is also necessary to maintain a close link with the families of these young people and to work systematically with them so that they will understand the significance of military service and have a positive influence on their relatives in the armed forces in terms of their conduct, attitude, discipline and strict compliance with assigned tasks and missions.



The print media, radio, television, films and other cultural outlets are extremely important in systematically promoting military life, the role the armed forces play in developing the individual's character and personality, and the continuous effort the military makes to improve the individual's education, capabilities and combat skills to reject and defeat the aggression of the imperialist enemy.

Educational centers of all types and at all levels of learning, the Jose Marti Pioneers Organization, the Federation of Intermediate-Level Students, the Federation of University Students and the Society for Patriotic-Military Education all have a significant role to play in developing the necessary patriotic-military consciousness among children and youths.

In our society, the mission of schools is to teach the students and consolidate their knowledge, and to develop in them firm patriotic, revolutionary and socialist convictions, as well as a strong feeling of class and of hatred for the enemy. Sponsoring interesting and pleasant activities designed to strengthen these principles in children and youths will instill in them at a young age an awareness of the lofty responsibility each citizen has in the defense of the nation.

The pioneer and student organizations and the Society for Patriotic-Military Education (SEPML) also have a decisive impact on the formation and development of high patriotic values and a proper military education among children and youths, by means of a variety of programs aimed at teaching them about the most glorious moments of our history, commemorating important revolutionary events, informing them about the basic mission of the armed forces, and instilling in them unlimited loyalty to the Party and the Revolution.

Considering all of the above, it is necessary for the Party at all levels, the Union of Young Communists, the state agencies and the mass organizations to bear in mind that in view of the current international situation and the potential threat of aggression against our country, the political-ideological effort for defense must be intensified in coordination with the measures that are being taken to organize and prepare military and civil defense.

Under these circumstances, an effective, integral and practical ideological campaign must be carried out in an increasingly creative manner, making skillful use of the various forms and methods of propaganda and agitation and organizing the actions of various institutions, such as educational, cultural and other entities, in accordance with those objectives.

The positive experiences of the celebration of the first Red Sunday as National Defense Day, and the participation of the principal leaders of the Party, the mass organizations and the state in that celebration, must be studied in terms of the comprehensive political-ideological content of that activity. It should be repeated every year as an important element in the people's preparations for defense.

It should be noted that economic realities should be taken into account in all defense preparedness activities, so it is necessary to work with maximum efficiency and rationality, without hindering the country's defensive capacity.

It is significant that in addition to the tremendous, urgent missions of national defense, the struggle for production and for the successful completion of each of the tasks set forth in all aspects of social life is being given the same impetus and support. "Production and Defense" should be the slogan that inspires our daily work.

In keeping with all these considerations, the political-ideological endeavor for national defense should pursue these fundamental objectives:

-- Stress our struggle to defend the lofty values and significance of national independence, sovereignty and dignity and the achievements of the Revolution and of socialism, which are intimately connected.

--- Strengthen our people's resolve to fight to victory against any enemy aggression and to struggle unceasingly, no matter how difficult and complex the situation becomes, until the total defeat of the enemy; and instill in each of our citizens a firm belief in the principles of the "War of All the People," its significance and importance for the survival of the Revolution, and an understanding that responsible and strong preparation for war will be the best deterrent to war.

-- Help each political and administrative cadre and each citizen become aware of their missions and tasks and receive training to carry them out, so that they can be better prepared; and support the enthusiastic, responsible and dedicated participation of the people in general, and of the different collectives in particular, in all practical tasks that are carried out for the organization of national defense, resistance and the annihilation of the invading enemy.

-- Contribute to the development of large-scale military instruction among our population, with the necessary quality and good planning to prevent the waste of time, which is the people's principal criticism of these activities.

-- Lend special support to the effort to prepare for defense in the city of Havana, the country's most important stronghold and its capital; and contribute to the consolidation of its independent corps of Territorial Troops Militias.

-- Contribute to the improved efforts to build fronts in the mountains and marshes, which must become unassailable bastions that under no circumstance can be occupied by the imperialist enemy.

-- Continue to improve the Defense Sundays and the annual celebration of National Defense Day the first Sunday after 2 December.

-- Organize a harmonious system for the patriotic and military education of the people, taking into consideration the objectives to be achieved in the various stages of human development, the forms and methods to be used in accordance with the different characteristics of the social collectives, and the missions and tasks of each institution, organization and agency, as set forth by our commander in chief in his summary of the Bastion-83 Strategic Exercise.

DOMINICAN REPUBLIC

PRESIDENT DELIVERS STATE OF THE NATION ADDRESS

Santo Domingo LISTIN DIARIO in Spanish 28 Feb 85 pp 8-9

[Text] Yesterday, President Salvador Jorge Blanco claimed that the policy to reactivate agriculture and livestock raising enacted by the government has proven successful.

In the chief executive's view, this was due in large measure to the effort expended by the institutions associated with the agricultural-livestock sector.

Yesterday, Jorge Blanco delivered a speech before the National Assembly to submit the reports from the state secretariats and other government institutions for the year 1984. The text of the president's address reads:

"I am appearing before this august assembly for the third time, to render an accounting and to submit the reports for the year 1984 that has just ended. Every secretariat and directorate, and the state's autonomous institutions, have provided a detailed explanation in these 1984 reports.

"It was a year in which we had to confront the most diverse situations, all of which were marked by the economic crisis that the republic is experiencing, with 2 months typified by considerable adjustments in our economy, namely, April and August 1984.

"During April, all the imported goods were taken to the parallel market, with the exception of the payment on the debt, the state's services abroad and oil. During August, we made an adjustment in the prices of petroleum by-products. The adjustment made on 23 January of this year, during the final phase, which created exchange unification, draws a dividing line: The phase of conscientization which preceded that date is now being followed by an economic recovery in the context of our realities. Our economy is taking an irreversible step forward. No one can look back, either today or tomorrow.

"During 1984, our economy managed to grow in real terms.

"Unlike what happened in fraternal countries which have faced cuts in their domestic production in recent years, the nation's production did not decline.

"Despite the drought which hurt us during the first 5 months of 1984, and the price increases for input, the agricultural-livestock sector, excluding sugar, grew more than 3 percent during the year, stimulated by the increases in domestic prices and the exchange incentives for export products. The most dynamic products were agricultural ones, such as corn, with a spectacular growth of 52 percent, coffee, with a 6 percent growth, and cacao, with a 5 percent growth.

"There was a 4 percent growth in peanuts and the figure was 10 percent for kidney beans.

"Sugar cane, on the other hand, underwent a dramatic decline of 20 percent, occurring primarily during the last quarter of the year, as a result of international sugar prices, the lowest in 50 years, which caused a 6.2 percent drop in sugar production during 1984.

"The policy of adjusting farm prices to their real value has achieved a substantial increase in profitability in the rural areas, and has once again made agriculture an economic activity competitive with the other areas of the economy; a situation which has been greatly improved from the effects of Law No 409 on agroindustrial promotion, incentives and protection. The policy of support prices was accompanied by a temporary preferential treatment for imports of agrochemicals and farm equipment, with a 50 percent reduction in taxes on input and equipment, and farm machinery. This tax cut reflected the concern of the Government of National Concentration for stabilizing production costs during 1984, despite the limitations and requirements imposed by the present crisis in the economy.

"Moreover, the policy for export promotion expanded the agricultural-livestock export items, benefited with the exchange incentive, in order to increase the profitability of these categories. The results of this policy are appearing in considerable increases in both traditional and non-traditional exports, particularly the latter, which rose by 49 percent, thereby guaranteeing a greater generation of foreign exchange for the economy.

"By way of an example, we cite the prices of several export products this year, in comparison with 1983. Copra underwent an increase of from 500 pesos to 1,400 per ton; coconuts, an increase of from 85 pesos to 200 per 1,000; coffee, from 93 pesos and 38 centavos to 140 pesos per quintal; Sanchez cacao, from 68 pesos and 78 centavos to 98 pesos and 42 centavos per quintal; Hispaniola cacao, from 73 pesos and 39 centavos to 104 pesos and 99 centavos per quintal; and tobacco, from 53 pesos and 60 centavos to 61 pesos and 10 centavos per quintal. These new prices benefited over 400,000 families with a population volume of 2.6 million persons.

"For the third consecutive year, in 1984 we were self-sufficient, that is, we did not have to import rice. This fact is even more impressive if we note that the Dominican Republic is one of the five countries worldwide with the highest per capita consumption of rice and, furthermore, during that year, domestic



rice production increased by over 500,000 quintales the figure for 1983. This, combined with the rise in the cost of input, could jeopardize the success in the self-sufficiency that has brought promising results for our economy, with savings of \$20 million per year in foreign exchange.

"Foodstuffs, which maintained a low production at the end of 1982, are in a phase of recovery, owing basically to the channeling of funds through the Agricultural-Livestock Improvement Fund created by this government for that purpose; which made it possible to make up the time lost during the first 4 months of the year, when there was a delay in planting most of the crops because of the drought, the hikes in production costs and the shortage of resources.

"Our economic policy has been aimed not only at raising the production of commonly consumed crops and promoting exports, but also at giving an incentive for products to replace imports, by raising the levels of profitability, as in the case of corn, sorghum and edible fats.

"In the case of corn, a production traditionally receiving extremely low payment, this was the decisive reason for the reduction of the corn planting areas by over a half in 10 years. Nevertheless, our policy achieved an increase of approximately a million quintales over the 1983 figure, for this vital product in human, agricultural and livestock nutrition; which represents a savings of \$6.3 million in foreign exchange.

"Sorghum is another crop on which great efforts have been made in order to eliminate the importing of raw material to produce balanced feed for livestock. The policy of a stimulating support price, increasing the price to the farmer twofold over that of 1982 in the sector, has been reflected in an incentive for local production, which made it possible to attain a production of 943,000 quintales in 1984, with a value of 16 million pesos.

"The crops for edible fats production subjected to a programming and coordination the results of which will be seen during the next few years, as in the case of peanuts, coconuts and African palm, will make it possible, besides in the case of milk, for all the other livestock products to show growth.

"Silviculture and fishing, which are combined for purposes of calculating the gross domestic product, increased 4 percent during the year, owing to rises in the production of kindling wood and coal, an understandable substitute for hydrocarbons but a dangerous phenomenon for the ecology. The increment in fishing was about 5 percent, among other reasons because of the provision of assistance to private fishermen and the breeding on government fish-raising farms operating in San Cristobal, Bani, San Pedro de Macoris and Azua, as well as the release of fingerlings in rivers and lakes by the State Secretariat of Agriculture and the Institute of Development and Cooperative Credit (IDECOOP). We must add the effort that we have also expended on the lakes along all of the country's dams to promoting fishing; for which reason it is no longer unusual to see along the Cibao and Southern Highways many sales stands offering the public this cheap, nourishing food for the population.

"Finally, I wish to stress that the reactivation of agricultural-livestock production and the success of our policy in that sector were due largely to the effort made by the institutions associated with them, including my personal backing throughout the country, and to the funds which the Government of National Concentration directed through various channels, particularly the appropriation of 10 million pesos for the Agricultural-Livestock Improvement Fund.

"Mining as a whole continued to show vigorous growth, increasing its production 8.4 percent over that in 1983. Two factors had a great influence on this figure: the normalization of Falconbridge, stimulated by better international prices, and the new exchange rate that the sector is receiving for its exports. A negative factor was the drop in the international prices for gold, which affected both the country's income in foreign exchange and the tax revenue contributed by this state enterprise.

"During 1984, industry as a whole observed a 3 percent drop in its production from the previous year. This setback was greatly influenced by the aforementioned 6.2 percent cut in sugar production, affected by the lowest international prices of the last half-century, as I noted previously, despite the State Sugar Council, with 7.7 million net tons of ground cane and 805,000 tons of sugar produced, which partly offset the decline in production in the private sugar mills. The State Sugar Council was thereby able to improve its still damaged financial situation. It should be stressed that, during this year, the State Sugar Council exported refined sugar in commercial quantities for the first time in the country's history, without failing to supply the local market. We must also add, as part of the success that we have had in the State Sugar Council, not only its being put on a sound footing and its diversification of crops, but also its social organization and assistance, including low-priced food for the workers and the housing program for its employees, which exceeds several times the housing that previous governments attempted to create in the State Sugar Council.

"The 3 percent drop cited in industrial production would have been larger if there had not been a continuation in the recovery of the firms which comprise the Dominican Corporation of State Enterprises (CORDE), which raised their production by 25.4 percent and their sales by 28.7 percent over 1983, attaining a combined net profit of 29 million pesos during the year that has just ended; all in contrast to the negative balances with which CORDE was run in previous administrations, despite the period of prosperity during those years; and the reliability and integrity in managing those funds, as has been shown by the present government, are an example of efficiency indicating that the state can and should be a good administrator of their assets.

"Despite all appearances, construction increased by 2.8 percent, encouraged by the substantial purchases made by absent Dominicans who are now the most gratified, because the purchases that they make with the savings derived from their exhausting work in the North American cities have been multiplied substantially like the miracle of the loaves, thanks to the realities of our economy on the road to recovery.



"In electricity, we are observing the continued fulfillment of the effort for improvement in a third of the entities which received my special attention, that I have termed "the three c's." Actually, the progress that has been made in the technical output, in administrative efficiency, in collections and in costs of the Dominican Electricity Corporation made it possible for the product of this vital sector to rise 12.5 percent in 1984, which contrasts dramatically with the 3.9 percent that it attained during 1983. This increment was influenced by the reincorporation of the plants at Jimena (destroyed by hurricane "David" in 1979), Haina Four and Puerto Plata One, as well as the entry on line of the Itabo One thermoelectric plant.

"Nevertheless, the technical and financial deterioration into which the public enterprise producing this flow so important to production and to domestic life was allowed to fall was so deepseated during past administrations that, even with the technical and administrative improvements achieved during the past year and a half, and even with the construction and incorporation of new plants that are operating with cheaper energy, such as coal and water, it still has to be substantially aided financially to cope with the purchase of its oil, seeking dollars at the unified exchange rate. We must remember that, without this financial aid from the state, the rise in electrical rates would have had to be three times what it was.

"The financial normalization of the Dominican Electricity Corporation must be continued for several years. We need only recall that, during the period 1976-81, the annual losses in the Dominican Electricity Corporation totaled 149.48 million pesos, in 6 years, in addition to subsidies from the central government amounting to 80.72 million pesos. On the other hand, the cumulative losses for the period 1982-84 are 10 million pesos. This shows that all the shortcomings which cause the population so much annoyance and harm have their real origin in the lack of foresight, non-fulfillment of programs and lack of planning on the part of some administrations in the past.

"I hope that the country's political future, with the passage of years and changes of government, will not again submerge this company in the financial and exchange distortions that have had to be corrected by the Government of National Concentration!

"The year 1984 was intense in exchange and financial events, which constantly monopolized the citizens' attention. And with more than sufficient reason, because there is a complete awareness among the Dominican people that the value of the dollar governs all prices in an economy as open as ours, and that this value of the dollar rises or declines in accordance with the goodness of the monetary and financial measures, without precluding the enormous impact on the value of the peso from external factors, beyond our control, such as these latest ones: the decline in the prices of our sugar and gold exports, the rises in the prices of the products that we import and in dollar interest rates, the lack of availability of loans from abroad and the reduction in foreign investments.

"In fact, the exchange policy was one of the adjustments and stabilizations applied by the Government of National Concentration, with a view toward achieving a revamping of the national economic activity. The measures which were

adopted in this respect were aimed at maintaining the internal stability of our economy, also seeking to gear the money supply to the requirements of the productive system.

"Despite the efforts expended by the government, the constraint to which the burden of the foreign public debt has forced upon us, combined with the recurring tendency toward a reduction in the international prices of the export products, forced the authorities to set up a temporary program in 1984 with the International Monetary Fund, the immediate exchange goals of which were the gradual unification of the exchange rate and an improvement in the Central Bank's reserves position.

"In this context of adversity, it was decided to continue and expand the policy of incentives for exports of traditional and non-traditional products by means of an exchange rate higher than the official one.

"With the twofold goal of eliminating the distortions created by the multiplicity of exchange rates and seeking equilibrium in the exchange balance, in April 1984 the government transferred all payments for imports of goods and services to the parallel market, excluding payments for imports of petroleum and its by-products, and the payments on obligations in foreign currency related to the public foreign debt and the acknowledged private debt. So that the citizens would not bear the consequences of a very drastic rise in prices of imported food, as well as in those of essential medicines and medical equipment, a mechanism involving an intermediate cost for those products was created.

"Subsequently, toward the end of August, a preferential rate was set amounting to 1 peso and 50 centavos, equal to \$1.00, for petroleum and its by-products; but, nevertheless, the official rate of 1 peso for \$1.00 was kept for the Dominican Electricity Corporation, in order to prevent a marked increase in electrical rates simultaneously with a rise in fuel prices.

"A redefinition was made of the policy in effect, so that the payment of new loans contracted by the private sector would enter into the free market rate, which would make it possible to cover the rise in costs for the execution of specific projects. In addition, the measures were supplemented by the procurement of a loan of \$50 million from the Inter-American Development Bank (IDB), to be used to devise an Industrial Reactivation Program that would provide funds for the private sector, through the FIDE [Investment Fund for Economic Development], for the purchase of the necessary imported goods, so as not to hamper its production processes.

"As a result of this set of measures, the Dominican Republic's foreign trade at the end of 1984 showed an improvement over the results accrued at the end of 1983, quantified by a net reduction of 113.5 million pesos in the trade deficit, which was achieved by means of an increase of 87 million pesos in total exports, making a total of 875 million pesos which, in percentage terms, represented 11 percent, added to a 2 percent cut in imports, compared with

the 1983 figure, dropping by 27 million pesos to a total of 1.252 billion pesos in 1984.

"The growth experienced by exports was due basically to an increase in sales, as well as a slight improvement in the prices of the leading traditional export products, such as raw sugar, refined sugar, molasses, rich molasses, green coffee, cacao, tobacco and its manufactures and ferronickel.

"But it was the non-traditional exports, stimulated by a better exchange rate, that recovered strongly in 1984, rising from 81 million pesos in 1983 to 121 million in 1984, making a highly significant increase of 49 percent. This is another example of what occurs when distortions are corrected.

"In the area of the Central Bank's exchange balance, the results showed a surplus of 74 million pesos. This surplus result of 74 million pesos was reflected in an increase in gross reserves, which amounted to 303 million pesos. It is important to stress that, in these results, there was a marked effect from both the congressional aid from the United States Government, amounting to \$50 million, granted by President Reagan and received at the end of December of last year, and the postponement of payments in foreign exchange on a series of obligations abroad.

"To open the doors for the restructuring of the foreign debt, the negotiations continued for an agreement with the International Monetary Fund, and the talks with the representatives of the international commercial banks and with the Paris Club were continued. There was success in various negotiations for the accommodation of international obligations to our affected foreign exchange income, prominent among which was the reorganization of payments accepted from us by the fraternal national of Venezuela, which is always understanding and heedful of our problems, headed by the friendly president, Jaime Lusinchi.

"To prevent greater negative effects on the economy, the monetary and credit policy was directed toward the attainment of gearing the medium of exchange to the needs of the economy. As I said before, the exchange incentives were expanded for both traditional and non-traditional exports, as a means of stimulating the increased productivity of those sectors and, hence, the generation of foreign exchange; there was a drastic curtailment of the Central Bank's financing for the public sector, in order to avoid further expansion in the circulating medium, and to keep it from pressuring domestic prices of consumer goods beyond certain limits. But, despite the latter, there was an extraordinary increase in the medium of exchange as a result of the application of the exchange incentive to traditional exports starting in April, without a corresponding demonetizing compensation, which began in August of that year, in other words, 1984, when oil imports were transferred to an intermediate exchange rate of 1 peso and 50 centavos per dollar.

"The continuation of this imbalance between the monetization and demonetization, despite the stringent fiscal discipline observed during the year, kept a constant upward pressure on the dollar on the parallel foreign exchange market; although there was success in keeping its price within the tolerable variations

from January to December 1984. The accumulation of this imbalance made it impossible to postpone the final adjustment made on 23 January of this year of 1985.

"During 1984, the average circulating medium attained a total of 1.295 billion pesos, and as of 31 December the balance showed 1.333 billion pesos, 29.6 percent and 42 percent higher than the levels recorded in 1983, respectively. The average monetary issue was 832 million pesos, with a variation exceeding 13 percent over the results for 1983; and the balance of that issue as of 31 December 1984 was 1.326 billion pesos, which represented a 34.2 percent increase over the year 1983.

"This abundant liquidity was reflected in the collection of funds by the commercial banks, through demand, savings and term deposits, which showed a 12.9 percent increase over the figure for the 12 months of 1983; with savings and term deposits showing the greatest increments. This rise in collections proved slightly less than that recorded in 1983, although it exceeded the average increase in the loan portfolio of these entities during the same period, which registered a 9 percent increase.

"The private development banks increased their collections of funds during 1984 by the sum of 161 million pesos, which represented a 15 percent variation from that experienced in 1983. The mortgage banks reflected increments in their collection of funds totaling 44 million pesos, or 15 percent over the level recorded in 1983.

"The Savings and Loan Associations raised their collection of funds by 103 million pesos, combined, including the deposits and participation contracts on the secondary mortgage market.

"The development banks received funds from the sale of securities on the market, with an increase of 11 million pesos; representing a rise of nearly 21 percent over the previous year.

"As a counterpart, the increases in loans from the Dominican financing entities during 1984 were as follows: commercial banks, 160 million; the private development banks, 166 million; the mortgage banks, 78 million; the savings and loan associations, 57 million; and the development banks, 251 million.

"The figures are convincing evidence warranting the claim of dynamism in the country's financial sectors.

"There is a need more than ever before for those sectors and the monetary authorities to direct most of those funds toward the productive activities in agriculture, agroindustries and energy supplies, and that they neutralize in the shortest period of time the effects of the adjustment, so that they may generate or save on the dollars which arrive with so much difficulty; and, in particular, that they help to maintain the peace that has cost us so much effort, and without which all the exchange, monetary and financial efforts would be futile.



"We cannot concentrate our attention on grieving over a crisis that is totally dissociated from the government's endeavor. We must focus on making use of the many advantages that are offered to those investing in tourism, mining, agroindustry, free trade zones, exports and the real substitution of imports, or in the construction of housing for Dominicans who are becoming rooted in their country.

"So that it will not be only nationals who feel encouraged to invest in our country, the Commission for Promotion of New Foreign Investments, created in December 1982, in order to offer the foreign investor advice and assistance, began its operational functions at the beginning of last year, and dealt with nearly 400 cases of investment. And the results of this initiative are already being felt.

"Of 28 agroindustrial projects approved under the aegis of Law No 409, on Agroindustrial Promotion, which represent an investment of about 156 million pesos, 15 are associated with Dominican-foreign investments.

"During 1984, \$23 million was invested in free trade zones, generating 3,500 additional jobs. In mining, contracts were closed for exploiting limestone in Pedernales, with an investment of 25 million pesos; and exploration began on gold deposits in El Yujo, Jarabacoa and La Vega. In the tourism area, there are several foreign firms operating or in the construction process. But the most noteworthy aspect of this sector, which, greatly stimulated by the exchange rate, has become the leading producer of foreign exchange for the country, although it does not enter the Central Bank, is the ubiquitousness of its presence. We see tourists at the cathedral and in the colonial area of this city, and on its avenues, and in Villas de La Romana and in the Puerto Plata hotels. But we also see tourists in the rented houses in Boca Chica, Juan Dolio, Sosua and all along the northern coast; in short, everywhere. A total of 650,000 tourists arrived in 1984, 8 percent more than during the previous year; leaving an estimated \$311 million in the country. To attract more tourists, in 1984 13 new projects started operating, with 533 additional rooms, and approval was given for nine more projects, valued at 89 million pesos, which will offer 832 more rooms to our grateful visitors, and about 5,000 new jobs for all Dominicans.

"Hence, this is an area in which both native and foreign investors have profitable opportunities, not only in the construction of hotels and villas, but also in the establishment and operation of business firms to provide our guests with food, services and arts and crafts, and to meet the needs of the visitors arriving on cruises for a deserved leisure and to satisfy a natural curiosity about a country opening its doors to the world for the first time. But peace is required for this, because no one wants to go for a rest where his tranquillity may be disturbed by the native problems. This is the best investment that we can make for peace.

"I shall now go on to report on the fiscal execution during 1984. To gain an understanding of what occurred with the Central Government's revenue and expenditures in 1984, several factors must be taken into account. The first,

essential one is that this year was the first one of a new decade for the Dominican economy, with priorities different from those which prevailed for 2 decades, reflected in the composition of the income; with a higher monetary level which, however, is not yet sufficient to give the state the real funds for coping adequately with the social requirements, for infrastructure and services demanded by a rapidly growing population, most of which is unprotected, as well as for productive sectors affected by the crisis. There is an urgent need to give heed to the population growth that is exceeding all estimates and increasing the difficulties in meeting the needs of the urban and rural populations.

"A new era in which a stringent discipline in spending is confronted with the requirements of giving compensation to government employees who have found their real income reduced by the onslaughts of inflation, and large amounts of funds turned over to thousands of civilian and military pensioners and retirees; as well as continuing to aid hundreds of persons in public and private institutions, both large and small, devoted to education and philanthropy. The great loser in this situation is precisely the sector with the most importance and impact on economic development, namely, that of investment. Hence the constant efforts made by the Government of National Concentration to procure additional funds with which to restore a reasonable level of construction and provision of schools, hospitals, water supply systems and local roads on which to remove the agricultural and livestock products, and irrigation canals that will cause the fruitfulness of the seed that the state must also contribute to a large extent, the power that drives the economy and makes family life more pleasant, and the technological research that will enable us to gear modern science to our natural and social features.

"It is claimed that our country is a hypertrophied state, filled with parasites, which is draining and wants to continue draining to a further extent the private sector, which is the one producing the real wealth. But it should not be forgotten that the private sector, which is actually productive, needs the power, the water, the roads, the canals and the technological research that only the state can provide. Nor should we forget what has been constantly reiterated: that this allegedly excessively large state has been losing a relative share in the nation's product, and that the refusal to provide it with the additional funds caused our resorting to inorganic funds and to a foreign debt, and in particular to the non-reproductive area; factors the combination of which has reinforced the internal and external imbalances that have forced us to adopt the adjustment that we are going through now.

"In this connection, during 1984, the Central Government received revenue amounting to a total of 1.35 billion pesos, which is 15 percent more than it received in 1983. From the effect of the new tax measures, with strict discipline intervening, and receiving the results of an active management based on funds of foreign origin, the customs revenue and that from the income tax made a contribution to the income of 42 percent and 52 percent, respectively; that from internal revenue, 21 percent; and that from the treasury, only 12 percent. The foreign funds rose by 34 percent, although they were largely increased by the use of money not sent abroad, awaiting the restructuring of



the foreign debt at the Paris Club; money which was used strictly to contribute funds for a native counterpart to the projects with foreign financing, which are generators of dollars, and to the Agricultural-Livestock Improvement Fund which I mentioned earlier. But, even having this recycling, the foreign funds were nearly 40 percent less than what had been estimated; which is explained by the financial constraint that caused us the absence of an agreement with the International Monetary Fund and by the difficulty in providing the funds for the native counterpart. It was possible to improve this situation with the mechanism resulting from the use of the funds that had been assigned for the international debts, while our foreign debt was being renegotiated.

"Finally, the treasury notes, the famous inorganic ones, for the good of the entire national economy, dropped to zero. This is a great conquest for our finances and economy. Ending the year 1984 without issuing inorganic notes, breaking all the previous traditions that have been so harmful, damaging and distorting to Dominican existence, proves the degree of efficiency with which we have been running the economy of the republic.

"Living on what we had, the government's spending amounted to a total of 1.284 billion pesos in 1984, compared with 1.99 billion in 1983; and 22 percent of this spending was used for investment, both by the Central Government and through contributions to decentralized institutions. We paid little amortization on the foreign debt, because we lacked the means to pay and because we were waiting for it to be restructured. We have to pay, and hence we need the funds that we have requested so much; because now, in addition, we shall have to purchase dollars at the rate prevailing on the free exchange market, and not at the by now expired rate of 1 peso per dollar. That time has now ended. That fiction was paid for by the Central Bank, or the national budget, or the Dominican exporters or farmers who do not consume gasoline, because they have no cars, nor electric light, because electric light has not reached them yet.

"The other 78 percent was running expenses affected by inflation, as everyone is, by a strict limitation on new employees, with a payment of 38 million pesos in non-deferrable interest on the foreign debt. These running expenses were 10 percent greater than in 1983, a percentage considerably lower than the inflation rate that we suffered in 1984; and hence it has been said that the government's hypertrophy is being overcome by experience. In fact, during 1983 the government's running expenses were 9 percent in relation to the gross domestic product; whereas these percentages rose to 12 percent in 1969 and 12 percent in 1970, dropping to 9 percent in 1972 and 1973, years of large income, and since 1977 they have never been less than they are at present.

"Similarly, the proportion of the running expenses paid in wages was 64 percent in 1969, 63 percent in 1970, 61 percent in 1972, and 58 percent in 1973; they dropped to 56 percent in 1975, and they are now 51 percent.

"In 1985, we shall also have instability in real resources, still with higher monetary levels that cause many illusions and, as a result, fiscal stringency so as to live on what we actually have.

"It has often been claimed, by me as well, that this is a crisis that has come to us from outside, and it is true. Without evading the responsibility that we Dominicans have for it, the substance of the situation that we are experiencing emanates from a world that is in upheaval, and I repeat the accurate, dramatic phrase used by the Economic Commission for Latin America (ECLA), with 'the most profound and widespread crisis since 1930.'

"I want to underscore the major significance of the first state visit paid by a Dominican president to the United States, in April 1984, held for the intensification of good relations between the Dominican Republic and that country.

"I then had occasion to discuss with President Ronald Reagan important aspects relating to a special government economic assistance program, the results of which have already started to materialize with the recent donation made by the United States, of \$50 million, and in the fact that this latter year was the one in which we have received the greatest American financial cooperation, which will increase during 1986. We also discussed issues of enormous concern and consequences for the national economy, such as: the implementation of the Caribbean Basin initiative, the sugar quota and American policy in Latin America and the Caribbean.

"An all-important, imperishable, spiritual event was the second visit paid by His Holiness, John Paul II, to the country on 11 and 21 October, on the occasion of the opening of the novena marking the fifth centennial of the evangelization of Latin America, and from here he addressed a message to the entire continent, which the Holy Father described as a continent of hope.

"Despite the fact that it was formally founded with the traditional organization of separation of powers, our country still suffers, both in the political and the administrative areas, from a lack of institutions which, while modernizing the state, would bring about greater balance among the forces holding the public powers, and hence allow for greater coexistence in Dominican society.

"It is in this area that the judicial branch has acquired, for once and for all, the necessary constitutional capacity for appointing the judges and for administering its own budget, which should help to eradicate corruption within the judiciary.

"It is impossible to institutionalize public administration without establishing the permanent legal regulations that will ensure the job stability of those engaged in public offices and employment, and that will at the same time guarantee the suitable management of the public assets, a constant concern and position on the part of our government. These two aspirations have been the object of individual bills which I shall submit to Congress again.

"At the same time, institutionalization entails mechanisms aimed at achieving the welfare and security of the Dominican family. For this reason, I submitted to the National Congress a bill creating the State Secretariat of Social Welfare

and another one establishing the new Social Security System for Workers in the Private Sector; and, a final one, expanding the social benefits for state employees.

"I am again submitting to the National Congress nine bills aimed at: establishing a system to protect the public assets and to intensify administrative ethics and integrity, which Dr Noel Subervi cited during the course of his address, with flippant comments about it, and we think that now, with this new presentation, there could not be better judges than the senators themselves for making, in conjunction with the deputies, those changes that they feel best respond to the national interests. It must be pointed out that this part is essential for improving all the mechanisms for ethics and integrity that are required in public administration and throughout the country: the creation of regional development assemblies; the establishment of civil service and administrative careers; allowing absent Dominicans to vote; expanding the coverage of life insurance, and for unemployment and disability benefits for public sector employees; changing the guardianship system; establishing a new social security system; creating the State Secretariat of Social Welfare; and establishing the Labor Courts that are so badly needed all over the republic.

"At the same time, I am reintroducing to the National Congress 11 bills aimed at: extending the deadline for labor prescriptions; establishing the trust; devising a new Commercial Code and Law on Commercial Registration; reinstating the repealed Law No 80 which amended several articles of the Labor Code for the workers' benefit; establishing a Tax Code; creating a new Schedule of Customs Duties; setting up an incentives system for forestry development; establishing the representation of those settled by agrarian reform in the Directory of the Dominican Agrarian Institute; approving a new system of copyrights; establishing the associative settlements with experience in the agrarian reform program; setting up an incentives system for forestry development, so that the private sector will be motivated to invest in reforestation in return for being able to rationally exploit the forest resources and to allow the Forestry General Directorate, exclusively, to operate three sawmills with the product of the lumber that has been damaged for the benefit of small furniture producers; and making the necessary amendment to Law No 705 of 1982.

"Along this same line, I am leaving with this Honorable National Congress four new bills intended: to amend the Law on the Workers Bank; to create the State Secretariat of Culture; to establish the Dominican Postal Institute; and to award prizes to the athletes who represent the Republic in international competitions and who are winners.

"In addition, I am submitting for the consideration of the honorable legislators the financing contract signed with the British company, Mabey & Johnson, Ltd, for the sum of \$1,358,024, for the construction of the La Otra Banda bridge over the North Yaque River in the town of Santiago de los Caballeros. This financing will be paid in a period of 20 years, with annual interest of only 6.5 percent. The construction of this bridge will solve, for once and for all, the problem of the Santiago crossing to La Otra Banda, which entails so many risks and which recently caused several fatalities.

"Now I hope that each one of these bills, with undeniable benefits for improved order and development in the country, will find support among the honorable legislators and that, from now on, we will be able to continue pooling views and efforts so as to keep up the process of Dominican institutionalization.

"The year that has just ended bolstered the stability of our democratic system more in its very national, historical roots, and in the legacy of the revolutions defending human rights which have lent glory to the Western world. Within a short time, we shall be completing a quarter of a century with democratic governments resulting from elections with the people's participation, which has been becoming increasingly free and pluralistic as well. The long periods of tyranny have been replaced by nearly a quarter of a century of democratic existence: A generation has been born free!

"Our democracy is stable because we are capable of changing ourselves, gearing ourselves to the challenges that come from the entire environment. The constant gearing to reality that is always in a state of change allows any political system to survive. Otherwise, it is doomed to extinction.

"The economic crisis is a challenge to our democratic system, because it means that we must gear many of our institutional values in the economic, legal and social areas to the environment.

"We have succeeded in confronting, with complete firmness, the most varied attacks from those who have attempted to take advantage of the difficulties involved in the crisis with intentions that are no longer admissible.

"Our political stability lies in the foundations of democracy. Nevertheless, strangely enough, one observes a serious crisis among the leading or influential political groups in the country: conventions that are decided upon with the law girding them; expulsions that reveal a degree of intolerance and inconsistency; rivalries which implicitly cause divisions; and public confessions of political groups which are increasingly dissociated from the country's constitutional order, and falling irretrievably into our Criminal Code.

"A major effort should be made by the Congress to keep itself aloof from these battles and to assume its lofty role that the history of our constitutionality has bequeathed, so that the institutionality to which I belong will become increasingly strong and fruitful for our republic.

"The proximity of the next electoral contest should be an invitation to direct party activity within the bounds of peaceful, constructive dialogue. The coming elections should be an expression of a fruitful life of the political parties recognized by the Central Electoral Board, to which we shall from now on be giving the budgetary funds that we have stipulated in the budget that we have sent to the Senate of the Republic.

"As a constant believer in the importance of the parties and in accordance with those principles, previously as a senator, and now as president of the republic,



I am submitting to the Congress a bill to amend the Electoral Law, creating the Party Fund, for which the Dominican State will be responsible, with a view toward the 1986 elections and the institutional existence of the political parties legally recognized in the country.

"This ability of our democracy to gear itself to the challenges of the environment is derived from its base of support, which lies among the people, among our military and police corps, wherein stress is placed on their professionalization, discipline and technification, with their modernization; without losing sight of their essentially defensive requirements and their cooperation, to keep our fields, our beaches and our air spaces from being a grazing area for the clandestine traffic, concealing the many methods used in an attempt to increase the weaknesses of the modern world. For this reason, last year, new air and sea craft, and new equipment, made into a reality dreams inspired many years ago among our Armed Forces and the National Police.

"The cadet schools of the National Army, the Navy, the Air Force and the National Police are reflections of this effort, all culminating in the instruction for higher officers at the Brigadier General Juan Pablo Duarte School. Last year, the first graduating class was graduated from that school.

"Of the 31 bills financed with foreign loans which are awaiting passage in this august institution, submitted by the executive branch between April 1983 and December 1984, 18 are for rehabilitation or construction of electric power generating plants; three, for local road construction; two, for education; three, for mining development; and the other five for construction of ports, agrarian reform, public health, forest management and pre-investment studies for projects in the public and private sectors.

"All these bills will enhance the store of public capital in areas that are obviously priority for economic development and social development. They are all aimed at sectors the strengthening and stimulation of which have been demanded daily by public and private spokesmen. None of them will provide us with funds for running expenses or to maintain subsidies that the country can no longer tolerate. All of them will generate or save on dollars to be paid for in accordance with the terms that have been contracted: those with a lesser period of repayment will save on oil soon, and those requiring more time to bring results have been contracted over the long term. Several include donations.

"History would have been different if all the loans the payments on which are now burdening our economy so heavily had been directed toward sectors such as those to which these have been allocated; and if all those projects the loans for which were well directed had been completed to generate the necessary funds for paying, as in the case of the dams, wherein we are now completing their irrigation systems. The present situation would have been different. This is why the politicians who point to a current debt in non-reproductive investments are off their rocker.

"Our Congress, which represents the height of our democratic institutions, will have to make a great effort to get beyond the natural tendency among congresses, which is more inclined toward criticism than toward constructive endeavor. In this connection, I urge the honorable legislators to become familiar with all the resolutions that are still in abeyance in the chambers, which include areas of social and economic concern to the Dominican Republic, imitating the very praiseworthy example set last Thursday by the Chamber of Deputies.

"I thought that today, 27 February, there might have been an announcement of the salary increase for all public employees, civilians, military and police, with the revenue appropriated for that purpose, and for private employees as well. I ask you, honorable legislators, not to delay any longer in passing this bill for a public and private salary hike; because any delay ruins our families.

"When studying the economic figures, particularly those relating to the public sector's participation in the economy, we must be careful to associate them with their real value, with what the economists call constant value. So, when someone is amazed that the Central Government's budget for 1985 is 1.505 billion pesos, we should realize that this sum is equivalent to 450 million pesos in constant value for the year 1970. It should be known that, in 1970, when the government's running expenses were only 173 million pesos, this represented 12 percent of the gross domestic product for that year; whereas in 1984, when those running expenses of the government amounted to 999 million pesos, a sum not very far removed from what the 1970 gross domestic product was, it only constituted 9 percent of the year's product. In other words, its participation declined, contrary to what it has been attempted to depict as hypertrophy and extravagance in the public sector.

"Our weak tax base could have been improved by the bills on direct fiscal taxes that I submitted to Congress on different occasions, such as taxing the capital gains and real estate property. We have received the comments from the chairman of the assembly, which I do not agree with: the elimination of reductions or exemptions concerning income, that involving firearms, the one involving plates for luxury vehicles, and others which might be for games of chance or combinations thereof that have inundated national life to an alarming extent.

"I make all these references because the budget and the Law on Public Expenditures that I submitted to the Senate in November of last year are still under discussion in the Chamber of Deputies. I hope that, upon the opening of this legislature, the deputies will reach final conclusions, approving the budget and the Law on Public Expenditures that we submitted in sufficient time for their study; as well as the fiscal laws that will make it possible to assign the increase to the public sector and to the salaries, and also to establish by law the Christmas bonus for civil servants.

"I must comment on the Madrigal case in particular, for last year I appeared before the Chamber of Deputies to uphold the defense of that project of vital



importance to the water supply of the city of Santo Domingo, where a quarter of the Dominican population is by now concentrated.

"History will judge those legislators who, last year, buried the Madrigal project aimed at supplying water to the capital city; and, most particularly, those who used all their influence to make that project perish under the emotions of political sectarianism.

"The prestige stemming from the Inter-American Development Bank was of no avail, nor was that of the Dominican technicians and experts who, during three administrations, including ours, contributed their knowledge to enable the city of Santo Domingo to have plentiful water for many years. The rejection of that 40-year financing at 2 percent per year, for a sum which broke the records of the Inter-American Development Bank in Latin America, will have the same consequences of a negative type as in the case of what is happening to electricity, or even more serious ones; because, whereas electric power has replacements, the same thing does not hold true of water. Therefore, within a short time, we residents of the capital city will be suffering the serious consequences of that position which turned Madrigal, the most beautiful name in Dominican geography, into a raging area.

"We have constantly concerned ourselves with coping with the rise in the cost of living resulting from the economic crisis. The raises in salaries; the program under way for generic medicines; the low-cost shops; the producers' markets; the government subsidies of over 100 million pesos for rice, flour and oil; the maintenance of the price of electric light at 87 percent for all electric power users so that they would not suffer any change in their rates; the installation of the military and police commissary stores; the increase in the subsidy for low-price cafeterias; and the improvement in public transportation; the glass of milk in schools; the low-cost sales establishments; and the program for distribution of school texts, notebooks and pencils are some of the measures, among others, expressing that sensitivity; without failing to note the beginning of the projects to bring the Seventh National Games to Moca, as well as all the installations for the Fifth Central American and Caribbean Games to Santiago.

"Our country is at the height of modernization. This offers better opportunities for the youth, particularly since the republic has overcome objections which used to be circulating in our society, as anathemas. It was not unusual to hear: "He is too young," thereby closing the doors that might have afforded better opportunities.

"During this Year of Youth, I ask all young people to extol and preserve the great values that have marked the course of Dominican history, including the reign of justice.

"During the past 2 and a half years, the country, like all those of Latin America, has been and is still focusing its attention on the International Monetary Fund, that institution which I called on another occasion 'the sign of the crisis.'

"Some claimed that it was feasible to reach an agreement with the International Monetary Fund; others stated that it should not be done; most people admitted that there was no other alternative; and everyone was closely monitoring the comings and goings of the officials from that institution who arrived in the country, or of the Dominican officials visiting Washington in the critical process of devising and arriving at an agreement that would have so many repercussions on the lives of all the consumers and all the producers of any country, which the circumstances of monetary and exchange imbalance led into it.

"Demanded by all the productive sectors, and feared by the consumers, owing to the initial effects of price increases, finally the agreement came, and with it, the final adjustment, announced by me on the night of 23 January.

"Today, I can announce that I have received formal notification from the general director of the International Monetary Fund, Mr Jaques de Larosiére, that he accepts our contingent, or stand-by program, as it is known universally, in its English form.

"The final adjustment has now been made. Now, everyone, producers and consumers, know what it is. The uncertainty has ended. Now, let's get to work.

"We have a granary, which we must extend to the entire Caribbean. For this purpose, we must produce more for our own needs and for those of our neighbors. All the conquerors of America came from here. Now, on the fifth centennial of the discovery, those old caravels, with the valiant captains, will have to be replaced by our ships loaded with food. It will be the food for peace that we have already devised to increase our entire agricultural production.

"Honorable legislators: I express deep appreciation for the remarks that have just been delivered with so much good sense and political judgment by the president of the Senate and chairman of this assembly, Dr Noel Subervi, particularly when he cites the need for opening new paths for understanding between the legislative branch and the executive branch, in other words, the president of the republic. I did not expect anything different from my old friend, the chairman of this assembly and senator from Barahona Province; because even with some differences, they have always served to strengthen our congressional existence or our very friendship.

"I could not expect anything different, either from him or from Dr Hugo Tolentino Dipp, and also from members of the board of directors, and from all the senators and deputies who have appeared on this memorable date, on which the group pays worship and tribute to the birth of the republic, and also to its supreme founders: Duarte, Sanchez and Mella.

"Because if this had not been the case, the revered remains of Duarte, Sanchez and Mella would have been the first to protest, because this supreme assembly must be a source of understanding and not of rivalry, much less of disputes.

"Honorable legislators: This year of 1985 is difficult, but filled with new opportunities. The marked interest on the part of many sectors in participating in production for export, in tourism, in the free-trade zones, in the production and manufacture of items that used to be imported, in the development of arts and crafts and in the needle industry, which have more than surmounted all the years that they had been languishing because of the unbridled competition that was reaching them from abroad, is obvious.

"We are in transition from one world to another. Experience, which is always harsh, has concerned itself with showing us our distortions, for which we must pay now.

"We must look ahead. Thinking of the past would only be advantageous if it were to strengthen the present and to build our future better, based on our realities. We must remember that we have ended 1984 without a setback in our economy as a whole; that our exports increased, particularly the non-traditional ones; in other words, there are many Dominicans seeking markets and opening doors abroad; that there is money in the banks and other financial institutions that is only waiting decisions from its owners; that even at a time of crisis, we have been able to make entities progress, such as the Dominican Electricity Corporation, the State Sugar Council and the Dominican Corporation of State Enterprises, which were ruined during prosperous times; and that there is a new solidarity among the fraternal countries.

"We are a people with great human and natural resources. For this reason, new capacities in all realms, especially the economic one, can and should be aroused and created, while we confront, with all our forces, the difficulty with which these times have appeared to us. We have done this while holding power because power is the capacity to achieve even under the limitations and restrictions of the crisis, confronting it with responsibility. We must seek those forces in the depths of our historic heroism, where inexhaustible reserves lie sleeping.

"Everyone, get to work, with faith in the future, founded upon our magnificent heritage.

"Salvador Jorge Blanco

"National Congress, 27 February 1985."

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ECUADOR

RODRIGO BORJA DISCUSSES STRIKE, FOREIGN DEBT

FL280244 Havana Domestic Service in Spanish 2300 GMT 27 Mar 85

[Text] Ecuadors third national strike in the last few months has been successfully held, called by the United Workers Front [FUT] demanding wage increases because of the increased cost of living.

The conservative government of President Leon Febres Cordero described the strike as illegal, but the opposition encouraged the protest.

Directly from Quito, Ecuador, the main opposition leader Rodrigo Borja, former presidential candidate of the Democratic left party, speaks to EL RAPIDO [Cuban radio station -- FBIS].

[Begin Borja interview by unidentified reporter recording]

Our party supports the strike because it believes this is a just expression of the working classes' disagreement with the government's resolution to oppose the wage increase for the amount indicated by the national parliament.

[Reporter] What will be the outcome?

[Borja] I believe the outcome will be what I call the syndicalization of Latin America's poor countries, to face together the refinancing of our foreign debt and (?obtaining) more equitable conditions in international commerce.

Apart from this, to continue pressuring for the establishing of a new international economic order which will allow Latin American countries to have greater participation in world revenues and in the benefits of international economic development.

If Latin America does not unite, if each one of our countries acts for itself, if we each, alone, face international banking, then they will impose "usury" conditions as they have already done in renegotiating our foreign debt.

CSO: 3348/525

ECUADOR

## FIRE ON GALAPAGOS CONTINUES

### State of Emergency

PA161317 Quito Voz de los Andes in Spanish 1230 GMT 16 Mar 85

[Text] A state of emergency has been declared in the province of Galapagos by an executive decree signed last night by Dr Blasco Penaherrera Padilla, acting vice president in charge of the presidency. The legal disposition declares a state of emergency in the province and authorizes the use of resources to solve problems stemming from the fire in Isabela Island, with money from the emergency fund.

The decree notes that all state, provincial and municipal authorities and organizations will be subject to the dispositions and instructions issued by the Civil Defense, in conformity with the law on national security. The emergency will last until the normal conditions are reestablished.

The gigantic fire, which has been ablaze for 2 weeks on Isabela Island, in the Galapagos Archipelago, has already destroyed more than 2,000 hectares of the national park and endangers the giant turtles in the region, it was officially announced.

According to technical information, there appear to be two fires on Isabela Island, one which is under control but has not been put out and which affects the agricultural region, and another one which affects the national park. According to these technical data, the fire is spreading underground, burning the dry roots and causing white smoke to emerge in several places on the surface. The drought affecting the island has made it even more difficult for the fire-fighting crews to fight the fire.

Thus far there have been no reports of human casualties. The economic damage is not known and scientists have said that several months will pass before knowing the exact damage sustained by the turtles, iguanas, and other species; species which are unique in the world which inhabit the island.

The Galapagos Archipelago, discovered 450 years ago, by Tomas de Berlanga is made up of 13 islands, 17 islets, and 47 rocks, and was declared Ecuadorian territory in 1832.

Situation Critical

PA191454 Quito Voz de los Andes in Spanish 1130 GMT 19 Mar 85

[Text] A titanic battle continued to be waged yesterday against the fire. The flames continued advancing, although more slowly than in recent days, due to the sporadically calmer winds in Isabela Island, Galapagos. In view of the critical situation in the Galapagos Islands--worsened [as heard] by the fire that has destroyed part of the vegetation on Isabela Island--Xavier Neira, minister of industry, commerce and integration, has asked the president of the republic to declare this insular region a disaster area in order to adopt emergency measures that will help solve the province's problems.

A fierce fire has been raging on Isabela Island for 19 days. The means with which the 250 men have been fighting this scourge are (?insufficient). The authorities have been requesting international aid in light of the dimensions of this drama. According to an appeal issued, one of the most important flora and fauna reserves--belonging not only to Ecuador but to the international community in general, as it has been declared mankind's heritage--is in danger of being consumed by the flames and everyone should help protect it.

Reports from Baltra--the port of neighboring Santa Cruz Island, from where supplies and human contingents are sent to the scene of the fire--indicate that the flames have continued to advance over a 25-km wide front and that, in a way, the firefighters, special army forces, and local people are all demoralized and frustrated by the inability to control this fire.

CSO: 3348/508



ECUADOR

FEBRES CORDERO TO MEET ALFONSIN, SANGUINETTI

PY151859 Madrid EFE in Spanish 0317 GMT 15 Mar 85

[Text] Brasilia, 14 Mar (EFE)--The presidents of Argentina, Ecuador and Uruguay--Raul Alfonsin, Leon Febres, and Julio Maria Sanguinetti, respectively--on 15 March will hold a meeting to discuss several issues pertaining to relations among them.

According to Ecuadoran Foreign Ministry sources, the presidential meeting, which will be a working breakfast held in a Brasilia hotel, has been called by Ecuadoran President Leon Febres.

Febres himself confirmed to journalists that the meeting will be held. He stated that basically the issues he will discuss with his Argentine and Uruguayan colleagues are issues concerning the foreign debt, a drug traffic control program, and regional cooperation plans. Febres noted that it is important to establish personal contact with the chiefs of state of Latin America, so as to arrive at solutions aimed at achieving peace and development in the continent. He added that the reinstatement of democracy in Brazil opens better prospects for Latin American cooperation, because there are several Latin American democratic governments.

Commenting on Ecuador's radical position regarding the Andean Pact, Febres said that this integration process, which is made up of Bolivia, Peru and Venezuela, must change its orientation if it is to achieve greater thrust.

Febres harshly criticized the Andean group decision to prohibit foreign investments, and urged its leaders to open markets in order to save the Andean group, which is the main economic integration group in South America. He expressed his conviction that the Andean countries must become more concerned about the production of foodstuffs and not about competing with the great powers over industrial programs.

The Ecuadoran president also referred to the foreign debt, noting that his country had confronted the renegotiation of the foreign debt under realistic terms so as to achieve agreements with the [international] community under terms that were mutually beneficial for the [developing] world and [developed] countries.

Febres will also hold a meeting on 16 March with [European Community] officials. It has been learned that the [Andean] group [will] discuss [the] situation in Central America and the [Andean] group's [contribution] to [the] [Central American] conflict.

END 148/108

ECUADOR

BRIEFS

NEED FOR LATIN AMERICAN FRONT--At the end of a meeting with President Raul Alfonsin of Argentina, Julio Maria Sanguinetti of Uruguay, and Colombian Foreign Minister Augusto Ramirez Ocampo, Ecuadoran President Leon Febres Cordero said that the direct contacts between these leaders has raised the need to form a sort of Latin American front that will enable us to successfully demand our rights, seek joint solutions, and advance more rapidly toward development. Later on, during an interview with economic analysts, President Febres Cordero referred to the world crisis, stating that it also affects Ecuador, since inflation is a contagious disease. He also considered the increase in interest rates harmful due to the large debt that must be paid. He added that nevertheless, the necessary corrective measures are being implemented in order to solve these problems at the lowest social cost possible. In conclusion, President Febres Cordero said that it has been decided to give special emphasis to the development of agriculture and livestock, two fundamental sectors in Ecuador's economy. He added that these sectors are the economy's backbone, and that therefore, their development is indispensable in order to improve the living conditions of the great majority of peasants in the country. [Excerpts] [Quito Voz de los Andes in Spanish 1230 GMT 16 Mar 85]

CSO: 3348/508

EL SALVADOR

BRIEFS

VENEZUELAN CREDIT--Rolando Gonzalez, Venezuelan ambassador to San Salvador, Salvadoran Planning Minister Fidel Chavez, and Salvadoran Deputy Defense Minister Rafael Flores Lima have signed a \$3 million credit for El Salvador to be used in the construction of military barracks. Chavez said that the loan, agreed upon during Duarte's visit to Caracas last year, will be payable in 10 years, with 2 years of grace, and low interest rates. [Summary] [Caracas EL NACIONAL in Spanish 19 Mar 85 p 1 PA]

CSO: 3248/306

GRENADA

SECURITY DISCUSSED IN TERMS OF POLICE, U.S. ROLES

Criticism of U.S. Withdrawal

St Georges THE GRENADIAN VOICE in English 2 Mar 85 p 8

[Article by Lloyd Noel]

[Excerpt]

My more pressing concern this week however, has to do with our security in the light of the announcement in Washington two weeks ago, that the US and Caribbean Forces will be out of Grenada by September, 30th this year.

There is absolutely no doubt whatsoever that Grenadians as a whole are very concerned about the possible effects such a move can have on our immediate and future security. Many have already expressed grave misgivings about such an unexpected and seemingly hurried decision.

And for the powers-that-be to put forward the reasoning that our own Police Force of 580 men and women will be well trained, ready and equipped to take over security by then, is tantamount to displaying gross ignorance of the composition of that force, the quality of the personnel therein, and above all else - the gravity of the situation we face in these islands of Grenada, Carriacou and Petit Martinique, and the Caribbean as a whole.

It is my view that the cur-

rent situation in Jamaica has very close and telling significance for the future outcome of security in Grenada and the Caribbean.

I wish to remind those in authority, both in Grenada and Washington, that the upsurge of Marxism-Leninism in the Caribbean reached its peak in the period when Jamaica was in the general control of so-called Marxists-Leninists under the meadership of Mr. Michael Manley. Whether Mr. Manley himself can be classified as a Marxist is debatable, but there was, and is today, no doubt that many of those around him were professed and committed Marxists, and some outright communists.

Arising directly out of NJM's leaders, close association with their Jamaican Counterparts in the early seventies, was the March 1979 Revolution. The out-

come of the Revo and the PRG is now history, and co-incidentally - so is the outcome of the Manley's period of Government in Jamaica, and Mr. Manley himself subsequently lamented the fact that he had mis-guidedly allowed too many radicals and extremists too much scope during his Government's administration.

Recently in Jamaica, and continuing almost daily, Mr. Seaga and his Government have been facing endless disruptions, and calculated attempts to create chaos and confusion (the tools and equipment of Marxism) with a view and purpose no doubt, to bring down the Seaga Gov't and so pave the way for another so-called Socialist revolution.

This is happening at the same time that our benefactors and physical saviours are making plans to abandon us and the wonderful job they did

not so long ago.

True, we are hearing promises of 'we won't be far away', 'we'll be always at the ready to return', 'we can be here very quickly with our modern devices'. But how quick is quickly when people are already dead? What is the point of returning when people have already deserted their homes and homeland for fear of possible reprisals? How ready and willing was anyone to come to our rescue between March 1979 and the 19th October, 1983? And what was the point of risking so much and sacrificing so many by the October

Intervention which rescued Grenada, Grenadians and the Caribbean, and secured America's immediate neighbourhood, if this is the end result?

It was a brave and courageous decision by all those concerned, particularly President Reagan, in the surrounding circumstances of the day. The recent announcement, in my opinion, is a premature, misguided and foolhardy decision that I sincerely hope we do not live to regret.

But, my experiences warns me that I must remain very doubtful. After all, once bitten, twice shy.

#### Police Assurances

St Georges THE GRENADIAN VOICE in English 23 Feb 85 p 16

[Text]

COMMISSIONER of Police Russel Toppin was not happy when he read in the local and regional press that Grenadians are not happy about security being left in the hands of the

Police. Toppin told the Press yesterday that he has every confidence that the 550 men strong force he will have when the US and CPF leave will be able to handle



any situation:  
which may arise.  
One hundred, of  
these would have  
had para-mili-  
tary training  
and half of  
that number will  
always be on  
standby while  
the others will  
be available for  
urgent call. The  
RSS which Gre-  
nada will join  
this week-end  
will also have  
about 800 men on  
standby to render  
assistance, in  
case of need,  
in any of the  
member territories.  
Mr. Toppin  
illustrated the  
quality that  
the force is  
acquiring by say-  
ing that he had  
never read a bet-  
ter report about  
a police of-  
ficer in train-  
ing than one he  
had recently  
received from Hen-  
don College in  
Britain about  
a Grenadian Super-  
intendent there.  
He was proud to  
say that the  
glowing report  
indicated that  
the officer had  
come top of the  
class.

GRENADA

BLAIZE HOPES TO DISCUSS TRINIDAD VISA ROW WITH CHAMBERS

Port-of-Spain TRINIDAD GUARDIAN in English 15 Mar 85 p 1

[Text] ST. GEORGE'S, Thurs., (Cana)--A MEETING between the Prime Minister of Grenada and Trinidad and Tobago to discuss the visa restriction on Grenadian nationals could be held in Bridgetown this weekend when the two leaders attend the funeral of the late Barbados leader, Tom Adams.

According to External Affairs Minister Ben Jones, Prime Minister Herbert Blaize who would be leading the Grenada delegation to the funeral intends to meet with other regional Heads of Government in Bridgetown but in particular his Trinidad and Tobago counterpart, George Chambers.

"We are particularly interested in talking about the visa requirement for Grenadians going to Trinidad. This is a sour point, and we would like to talk about it to see how quickly we can get this over," Jones told reporters.

Adams who died Monday from a heart attack will be buried on Saturday. Other members of the Grenada delegation going to the funeral are Jones himself, as well as Labour Minister Dr. Francis Alexis, and Marcel Peters, the Leader of the Opposition.

Jones stressed that a possible visit to Port-of-Spain by the Grenadian leader for talks at the request of Chambers could depend on their meeting in Barbados.

Trinidad and Tobago imposed its visa requirement as one of a number of punitive measures taken against the leftist junta that had seized power in the bloody October 1983 military coup in which Prime Minister Maurice Bishop was killed.

The military government was removed after six days in a US-led invasion but Port-of-Spain did not relax the requirement because it wanted to keep out leftist sympathisers who may have been trying to leave St. George's.

The Government here has made unsuccessful overtures over the issue to the administration in Trinidad, where there is a large Grenadian immigrant population.

CSO: 3298/491

GRENADA

FARMERS SEEK REPRESENTATION IN GOVERNMENT-OWNED BANKS

St Georges THE GRENADIAN VOICE in English 2 Mar 85 p 1

[Text] FARMERS in Grenada are seeking representation on the two government-owned banks, the National Commercial Bank (NCB) and the Grenada Bank of Commerce.

At a meeting held on Tuesday February 26, the Board of the Grenada Co-operative Nutmeg Association passed two resolutions to be forwarded to government.

The first resolution calls upon government to immediately appoint a farmer to the Board of Directors of the National Commercial Bank (NCB). The second resolution requests the government to make a declaration that the Grenada Bank of Commerce will not be sold to outside financial institutions or people.

The preamble to the resolution concerning NCB notes that the bank "has substantial sums of money in its care provided by farmers", but that the recently appointed Board of Directors of the NCB has no representative from the Farming Community.

The second resolution of the Nutmeg Board acknowledges that for the economic progress of Grenada the banking system must be under the control and direction of the citizens of Grenada. It notes that the Grenada Bank of Commerce is under the sole direction of the government and states that the Board is aware that there are sufficient Grenadian institutions and Grenadians willing to purchase the GBC. It then calls upon the government to make a declaration that the GBC will not be sold to outside financial institutions or people.

"And be it further resolved," the resolution ends, "that the Farmers Commodity Association request government to jointly consult them for the formulation of policies and guidelines for the effective control of the said Grenada Bank of Commerce by Grenadians."

END: 12/04/85

GRENADA

DETAILS ON CONSTITUTIONAL COMMISSION, AIMS REPORTED

St Georges THE GRENADIAN VOICE in English 16 Feb 85 pp 1, 16

[Text] THE appointment of an Ombudsman, the limiting of a Prime Minister to two consecutive five year terms of office and the recall by constituents of their elected representatives for persistent mal-representation and misconduct are among the provisions that a Constitution Revision Commission appointed in Grenada today are asked to include in their recommendations.

The high powered Commission, sworn in by Governor General Sir Paul Scoon on Thursday morning is headed by St. Vincent-born former Governor of St. Kitts Sir Fred Phillips as Chairman, and includes Mr. Brynmor Pollard a Senior-Counsel of Guyana and Legal Consultant to the Caricom Secretariat Professor Ralph Carnegie of the Faculty of Law of the University of the West Indies, Grenadian Mr. J. Barrymore Renwick, former Judge of the East Caribbean Supreme Court, President of the Grenada Bar Association Mr. Michael Andrews, as well as an associate member Dr. Randy McIntosh of Carriacou, who is Professor of Law at Howard University. The Secretary General is a former Administrator of Grenada Mr. Bernard Gibbs.

Following the swearing in at Governor General's residence, the Commission held a public session at the Parliament Building where the terms of reference of the Commission were read and the Chairman made a statement expressing the hope that organisations and individuals in Grenada will come forward with memoranda and suggestions for amendment to the Constitution within the scope of the terms of reference which are: (A) To examine, study and enquire into the Grenada 1973 Constitution and other related Laws and matters. (B) After due examination and study, to report in writing making such recommendations and providing for consideration such amendments, reforms and changes in the Constitution, and related Laws as are in the opinion of the Commissioners necessary and desirable for promoting the peace, order and good Government of Grenada.

The terms then go on to mention specifically various provisions which the ruling New National Party had pledged to the people in their election campaign. These include such items as maintaining democratic institutions and protecting parliamentary democracy with a system of free periodic elections, strengthening and maintaining the independence of the judiciary, safeguarding the fundamental and basic human rights, liberties and freedoms of the

individual and wider participation by citizens in the democratic processes of government both at Parliamentary and local government level.

At the public session Chairman Sir Fred Phillips told the small gathering of persons present which included the Minister of Legal Affairs Mr. Ben Jones and Parliamentary Secretary Tillman Thomas, "You will observe that we are charged with an onerous task which we will do our best to discharge. But I wish at the outset to emphasize that it is our conviction that the review of the Constitution can only be achieved by the Commission working in the closest collaboration with the people of this country. We hope, therefore," Sir Fred continued, "that there will be an active dialogue between the people and the Commission as a result of which individuals and organisations will feel free to submit memoranda in writing to us expressing their views as to what changes they consider desirable in the Constitution. Such Memoranda should of course be forwarded to our Secretary-General, Mr. Bernard Gibbs."

CSO: 3298/491

GUYANA

BRIEFS

URANIUM DEAL WITH E. EUROPE--The Guyanese Government is investigating the possibility of undertaking joint uranium exploitation projects with East European nations. An official of the Ministry of Energy and Mines said yesterday that (Cogema), a French company trying to determine whether Guyana's uranium could be exploited commercially since the late 1970's, was likely to close down operation this year. The official said the company might leave Guyana due to its recent uranium finds in Canada. The Guyanese Government plans to meet with several countries mainly from Eastern Europe to discuss joint exploration and exploitation projects. [Text] [Bonaire Trans World Radio in English 1130 GMT 20 Feb 85]

ROMANIAN DELEGATION--A two-member delegation from Universal Tractor, Brasov, Romania this week completed discussions with officials of the Guyana National Engineering Corporation (GNEC) on proposals for the setting up of a tractor assembly plant here. The Romanians Irina R. Savescu and Sovaiala Nicolae also paid a courtesy call on Vice President Social Infrastructure Hamilton Green at Oranapai Towers, in Kingston. (See picture) [Photo not reproduced] The proposals for setting up a tractor assembly plant in Guyana, with assistance from the Romanians, were first discussed about four years ago. Cde Savescu and Nicolae are their company's South American representatives. (GNA) [Photo caption] [Georgetown GUYANA CHRONICLE in English 2 Feb 85 p 1]

ROUNDUP OF SCHOOL TRUANTS--New Amsterdam (GNA)--The police department has launched a special exercise in Berbice aimed at curbing truancy which is said to be on the increase in many areas in the region. The department has so far rounded up over 180 schoolchildren in New Amsterdam and West Coast, Berbice after being alerted about the situation by headmasters. The action, which began last Friday, resulted in many schoolchildren being held at streetcorners, in stores, cinemas and market places. According to Senior Superintendent of Police, Cde Kenrick Moore, many of the children stayed away from school because of the negligence of parents, while some are influenced by "side attractions." Cde Moore advised cinema proprietors to desist from the practice of admitting schoolchildren to cinema shows during school hours. He opined that if children of school-age are found in show houses, strong action should be taken against the owners. He also said that to arrest the situation the Police will seek the assistance and cooperation of the Probation Department and Parent-Teachers' Associations. Members of the Regional Committee for Youth, who recently discussed the truancy issue in Berbice, welcomed the action of the Police. They said this is the Year of Youth and action must be taken to develop a sense of dignity among our youths. [Text] [Georgetown GUYANA CHRONICLE in English 6 Feb 85 p 4]



22 April 1985

ENERGY AUTHORITY-GWU ACCORD--An agreement, dealing with recognition procedures, was signed yesterday morning between the Guyana National Energy Authority and the General Workers' Union (GWU) at the Ministry of Manpower and Cooperatives. The agreement gives to the GWU the right to be the sole bargaining agent for employees of GNEA and also deals with the avoidance and settlement of disputes. The agreement which takes effect immediately, was signed by Cde. Maurice Dundas, secretary-manager and Cde. Joseph Ramdeholl, accountant, for the GNEA, while Cde. Edwin James acting general secretary signed on behalf of the union. [Excerpt] [Georgetown GUYANA CHRONICLE in English 1 Feb 85 p 3]

DOLLAR'S FALL--Georgetown 10 Mar--The value of the Guyana dollar against the U.S. has fallen by 15 cents under a new exchange rate for this week set by the Central Bank, an official statement said last night. The buying price of one U.S. dollar this week will be 4.45 Guyana dollars, up from 4.30 dollars, which was in effect since January 20 under the Central Bank's weekly exchange rate fixing system. The system came into being last October after the second major devaluation of the Guyana dollar in a year. The rate is determined by a basket of major international currencies, including sterling, the German mark, the French franc, and the Japanese yen. [Text] [Bridgetown CANA in English 2014 GMT 10 Mar 85]

CSO: 3298/474

MEXICO

PRI STUDY EXAMINES JULY'S 40 CAPITAL ELECTORAL RACES

Mexico City EXCELSIOR in Spanish 2, 3 Mar 85

[Article by Nidia Marin]

[2 Mar 85 pp 1-A, 10-A]

[Text] According to an analysis by the Institutional Revolutionary Party (PRI), there will be hot political races in 25 of the capital's 40 districts, where the age-old problem of landownership, inadequate public utilities, gains by opposition parties and, in some areas, middle class abstentionism, will have an impact.

The investigations conducted by PRI specialists point to 14 electoral districts as critical, 2 as almost critical and 8 as difficult. Their assessments are based on political, economic and social analyses of each area.

For example, zone one, which consists of districts 10, 20, 25 and 30, was examined in terms of regional and socioeconomic factors.

According to the PRI Planning and Evaluation Commission, the 10th district contains some very troublesome zones owing to the lack of public utilities and to the government's tardiness in meeting grassroots demands. The district consists mostly of very low-income strata, contrasting with middle class neighborhoods that are regarded as difficult segments of the electorate.

Fifty communities [colonias] belonging to the Gustavo A. Madero delegation and having a population of some 270,000 are placed in the same category. Typical communities there are Lindavista, Cuauhtepac and Acueducto de Guadalupe, whose socioeconomic levels range from upper middle to lower middle and lower.

PRI lost 4 precincts [casillas] there during the last election; in 1979, there was a 40 percent turnout and in 1982, 65 percent.

There are internal conflicts in the district that demand a change in leadership and a new makeup of sectional committees and subcommittees; in addition, wideranging support is required to meet grassroots demands. It has therefore been recommended to top PRI leaders that they pay special attention to the 10th district, which is regarded as touchy and in which the National Action Party (PAN) doubled its vote in 1982. The outgoing deputy is Manuel Osante Lopez from the National Confederation of Popular Organizations (CNOP).

The 20th district is regarded as less troublesome. It comprises 20 communities and has a population of some 250,000, mainly young workers and elementary- and secondary-school students; nevertheless, there are serious social problems and a public utility crunch.

Even though PRI lost just 20 precincts and won another 15 by narrow margins, while the voter turnout rose from 36 to 57 percent, studies indicate that the party must be careful because at the time the analysis was done, 1984, party structure was nonexistent and party affiliation was 72 percent.

The problem communities for PRI are: Lindavista, Tepeyac-Insurgentes and Gustavo A. Madero. The current deputy is Mateo de Regil, from the CNOP and a former leader of the National Trade Union of Social Security Workers (SNTSS).

The 25th district, which is also in the Gustavo A. Madero delegation, is a densely populated area of 14 communities and some 255,000 inhabitants, all lower-middle class. Social problems there are acute, mainly landownership, widespread alcoholism and drug addiction and gangsterism. Nevertheless, it is regarded as less of a political problem area.

According to the studies, the basis for this assessment is that the district has an acceptable representative, federal Deputy Jesus Salazar Toledano, from the CNOP, and has a fairly good political organization, with high registration in PRI, which defeated PAN by more than 30,000 votes in the last election.

The district is home to small-scale craftsmen, bricklayers and shopowners; the voter turnout was 25 percent in 1979 and 38 percent in 1982. The ruling party did not lose a single precinct.

The other district in zone 1 is number 30, which also is part of the Gustavo A. Madero delegation; its 20 communities are home to a diverse population of 300,000, the great majority of whom live in large residential developments.

Most of the district's workers are blue-collar people and part-timers with low earning capacity and a secondary school education; alcoholism, drug addiction and gangsterism are widespread and, consequently, so is crime.

PRI has been warned to pay due attention to this district because of the internal problems there, which, if they persist, could make things difficult. The recommendation, therefore, is to run a charismatic leader with a talent for political work, organization and management, as well as local experience. PRI did not lose a single precinct in this district in the last election, which was won by Esteban Nunez Pereda from the CNOP.

#### Five CTM [Confederation of Mexican Workers] Districts

According to the studies, zone two comprises five districts, all of them with CTM deputies: numbers 9, 18, 19, 28 and 29.

The 9th district has 27 communities and a population estimated at 250,517, mostly students, blue-collar workers and housewives with, for the most part, a secondary-school education; the district has complex problems, and the demand for utilities is enormous.

PAN doubled its 1979 vote in the district, and the PSUM [Unified Socialist Party of Mexico] and the PRT [Revolutionary Workers Party] also did well; in fact, if the vote of the latter two were combined, it would easily surpass the PRI total. Nevertheless, according to the PRI studies, the party lost just one precinct and had narrow victories in only four.

Part of the district is in the Azcapotzalco delegation and another part belongs to the Miguel Hidalgo delegation. The voter turnout was 34 percent in 1979 and 57 percent in 1982. The feeling is that a reliable PRI structure is lacking there, which could turn it from difficult to critical. The present deputy is Arturo Contreras Cuevas from the CTM.

The 28th district comprises 20 communities in the Miguel Hidalgo delegation with a population of about 280,000; it is the only district in which men outnumber women. The makeup of the population is varied, ranging from lower to upper middle through lower middle and middle middle. PAN upped its vote by 70 percent in 1982, compared to just a 10 percent rise for PRI. Nonetheless, PRI garnered twice as many votes as PAN, and thus the feeling is that it will not have major problems. The current deputy is Joaquin del Olmo, who lost seven precincts and won 9 by narrow margins.

One of the districts described as critical is number 29, with 30 communities in the Azcapotzalco delegation and an upper middle, middle middle and lower middle class population of some 270,000, a great many of them students and blue-collar workers. Public utilities there are inadequate; gangsterism and drug addiction are widespread; there is almost no registration in PRI (at the time the investigation was conducted), and the party's organization has been neglected.

### One Difficult and One Critical District

This district is regarded as worrisome because of the increased vote for the Left and the virtual doubling of the vote for the Right. Moreover, the ruling party won 23 precincts by narrow margins but did not lose a single one. The turnout rose from 42 percent in 1979 to 64 percent in 1982. Sara Villalpando Nunez is the current deputy.

The 28th is another critical district, but special attention has already been devoted to it. It has a population of around 280,000 in 38 communities, some in the Miguel Hidalgo delegation and the rest in Azcapotzalco; most are lower, lower middle and middle middle class blue-collar and white-collar workers and students.

Most of the residents have secondary-school educations and are under the age of 30.

Party organization is through the Trade Union of Petroleum Workers (Section 35 is located there). There has been neglect of both party organization and membership. In the most recent election Ernesto Juarez Frias, the current deputy, lost 4 precincts and won 12 by narrow margins. He won the rest easily. There are large residential developments in the area.

The last district in the second zone of the study is 29, which lies partly in the Azcapotzalco delegation and partly in Gustavo A. Madero. It consists of 27 communities with about 270,000 inhabitants, most of them low-income earners (private sector blue- and white-collar workers), and has serious social and public utility problems, as well as a deficient PRI organization. Its personnel and affiliation levels are described as "far from desirable."

In this district PAN almost doubled its vote in the recent election, while the PSUM did well also and the vote for PRI was not up more than 10 percent from 1979. Hence, this district is regarded as a problem, inasmuch as in 1982 Manuel Alvarez Gonzalez, the leader of the Trade Union of Meat Industry Workers, lost 6 precincts, winning the rest, but 17 of them by narrow margins.

### Two Critical Districts

Zone 3 contains districts 2, 11, 12 and 31, the first 2 regarded as critical, the 3rd as a problem and the other "no problem."

The second district is located in the Cuauhtemoc delegation and consists of seven densely populated communities. The population of some 250,000 is made up mostly of middle- and low-income blue- and white-collar workers and students, the great majority with secondary-school educations.

At the time of the study, personnel organization left much to be desired, but special mention was made of the efforts of the delegate,

Carlos Fabre del Rivero, of the district deputy, Rodolfo Garcia Perez, and of the special PRI delegate, Jose del Valle Perez, who have set up and strengthened a number of organized groups.

The demand for public utilities is described as "among the most intense in the Federal District," mainly in Tlatelolco. The reasons cited by the researchers for terming the district critical were the high concentration of traditional conservative groups, the gains by opposition parties and the fact that this area has been one of the hardest hit by the crisis.

During the most recent election PRI lost three precincts and won the rest, five of them by small margins.

The 11th district comprises 10 communities in the Cuauhtemoc and Gustavo A. Madero delegations. The densely packed population of some 250,000 consists mostly of lower-, middle- and upper middle-income earners (blue- and white-collar workers in private industry, students and housewives); moreover, most of the voters are young, surpassing in almost all districts the number of middle-aged and older voters.

It has been termed critical because of the almost nonexistent PRI organization, the urgent need for a restructuring, and its social and public utilities problems, which are similar to those in the northern section of the city. In 1982, Enrique Leon Martinez from the CNOP lost 2 precincts and won the rest, but 11 of them by narrow margins. His two losses were in the Tepeyac-Insurgentes and Aragon communities.

The 12th district is termed a problem because of an inadequate PRI organization, low PRI registration, its lower-middle class makeup and, also, the lack of public utilities.

Nevertheless, Wilfrano Leyva Salas, the current CNOP deputy, did not lose a single precinct in 1982, nor did he have a close race; he swept through. More than half of the registered voters have secondary school educations. The district is located in the Venustiano Carranza and Gustavo A. Madero delegations and consists of 10 communities with 250,000 residents.

The last district in the third zone is number 31, which is not regarded as much of a problem, even though in the last election Maria Luisa Calzada de Campos lost 15 precincts and won 16 by very narrow margins. The district is also divided between the Gustavo A. Madero and Venustiano Carranza delegations and consists of 16 communities with a population of some 250,000. Its social and public utilities problems are of average severity. There are several housing developments in the district.



The study concluded that an effort should be made to improve party personnel and boost affiliation levels in the district. Voter turnout was 59 percent in the last election, up 8 percent from 1979.

#### Four "No Problem" Districts

The general feeling is that districts 3, 4, 5 and 14 in zone 4 present no major problems.

The third district consists of 8 communities in the Cuauhtemoc delegation with a population of 250,000, mainly lower middle and lower class and a great many shopowners.

The predominant level of education is primary school. PRI should not have any problem at the polls because its organization has been maintained by Deputy Carlos Jimenez Macias and the president of the district, Macedonio Reyes Alvarez from the ISSSTE [Institute of Social Security and Services for Government Workers] union. Alcoholism, drug addiction and unemployment are the social problems.

Although this is not a problem district, the study warns that the impact of the crisis on the economies of its residents must be taken into account. In 1982, PRI lost one precinct and almost lost another. The fourth district is divided between the Cuauhtemoc and Venustiano Carranza delegations. It comprises 19 lower middle class communities, all with a high percentage of blue-collar workers and a majority of voters between 18 and 30 years of age; there are a number of election trouble spots, but the PRI organization is sound there. The current deputy, Domingo Alapizco Jimenez, lost one precinct and was in trouble in another five. The district has a population of about 300,000.

The fifth district presents no problems for PRI either. It consists of three large communities in the Cuauhtemoc and Venustiano Carranza delegations (old Mexico City) with a population of about 270,000, mostly lower and lower middle class, and the largest number of shopowners in the Federal District.

This is described as a model district with the fewest problems. In 1982, the late deputy Angel Morado Garrido did not lose a single precinct and had close races in just seven.

The 14th district is the last in zone 4. It is divided between the Venustiano Carranza and Iztacalco delegations and consists of 17 communities with a middle and lower middle class population of about 345,000; the level of education is also acceptable.

PRI registration is quite high even though the party does not have a strong organization there. Due attention should thus be paid to this district, inasmuch as the PSUM has made great gains and PAN more than doubled its 1979 vote.

PRI Deputy Alvaro Brito, from the National Trade Union of Education Workers (SNTE), lost one precinct and won eight by narrow margins, winning the rest.

[3 Mar 85 pp 1-A, 15-A, 16-A, 23-A]

[Text] Of the 9 registered political parties, 3 will be fighting the hardest over the coming 4 months for the 40 seats in the Federal District.

PRI's major rivals are PAN and PSUM, the former regarded as the more dangerous. Victory will be determined, however, by the under-30 and the women's vote, inasmuch as young voters are in the great majority in all districts and in only one do men outnumber women.

Voter abstention is expected to increase in spite of efforts to reduce it, and the feeling is that this silent majority will hurt the ruling party the most.

The investigations by PRI specialists indirectly raise this problem, although after the studies were done (1984), PRI began training personnel in several areas, put out campaign publicity and arranged for the installation of public utilities to win over support.

As yesterday's article indicated, political, regional or socioeconomic criteria were taken into account in conducting the surveys in specific zones.

In the case of zone 5, which includes districts 6, 13, 15, 34 and 37, the fact that these are CTM seats was taken into consideration.

The investigation conducted by the PRI Planning and Evaluation Commission uses the adjective "critical" to describe district 6, with its 3 communities and a population of some 250,000 in the Cuauhtemoc delegation. The reasons are that there are severe social and public utility problems there and that PAN's vote was up 100 percent, even though PRI polled twice as many; nevertheless, if the substantial vote totals of the other opposition parties were combined, they would surpass PRI's.

The level of schooling in this district is mainly secondary education, and the specialists warn of the danger that could be posed by an opposition candidate who takes advantage of discontent. Moreover, the PRI organization is inadequate, and party registration levels are very low. The current deputy is Venustiano Reyes Lopez, who in 1982 lost 2 precincts and won the rest, but 13 of them by narrow margins.

Districts 13, 15, 34 and 37

Little is said about district 13. It is located in the Venustiano Carranza delegation, comprises 9 communities with 300,000 inhabitants

and shows a slight predominance of the lower middle class. Nevertheless, PRI personnel are well organized and party registration is excellent; thus, the electoral outlook is not worrisome. Hilda Anderson Nevares de Rojas is the current deputy; in the last election she did not lose a single precinct, winning them all by wide margins.

The 15th district is described as satisfactory as far as the ruling party's organization is concerned, with so-so registration. However, PAN doubled its vote total in 1982, and thus a campaign effort must be made in this district, which also has 28 established communities in the Iztacalco delegation. It has a population of over 300,000, most of them white- and blue-collar workers with primary and secondary school educations, and suffers from land tenure, crime and drug addiction problems. The current deputy is Juan Jose Osorio Palacios, who in the last election lost three precincts and won the rest, four by very small margins.

The 34th district is divided between the Venustiano Carranza and Iztacalco delegations, comprises 17 communities and has a population of close to 250,000, mostly middle and lower class with intermediate-level schooling. It suffers from severe juvenile delinquency, drug addiction, alcoholism and unemployment problems. The PRI has an acceptable organization there, however, with average party registration; thus, it poses no major worries, though some campaigning is necessary. The deputy there is Nezahualcoyotl de la Vega, who in 1982 did not lose a single precinct and had close races in just six.

The 37th district has 25 basically middle-class communities in the Iztapalapa delegation, where housing, land tenure and public utilities problems are serious. The PRI structure is acceptable, but there are organizational and registration shortcomings among the 260,000 residents. The electoral outlook is regarded as touch-and-go, inasmuch as in 1982 Alfonso Valdivia Rubalcaba won 32 precincts by narrow margins and lost in 12.

#### Five CNOP Districts

The basis for dividing up zone six was that districts 1, 7, 32 and 33 belong to the CNOP and that social and economic conditions are similar.

The most troublesome district for the upcoming election is number one, which has six communities and is located in the Cuauhtemoc delegation. PRI's problem is that PAN's vote total was 72 percent of PRI's in the last election, compared to 50 percent in 1979. Moreover, it has a large middle class with advanced schooling among its 250,000 inhabitants; the PRI organization is (or was) almost nonexistent, and current economic and social conditions make things even tougher.

Efforts are under way to revamp the party's organization, as Eduardo Carrillo has been appointed special delegate. Carrillo is well suited

for the area inasmuch as he has an academic background, enjoys prestige in intellectual circles and has electoral know-how and organizational abilities. The current deputy is Pedro Luis Bartilotti, who lost 17 precincts and won 57 by very narrow margins.

The seventh district is divided between the Benito Juarez and Cuauhtemoc delegations and comprises nine middle-class communities with a total population of 360,000; intermediate and higher education is common and women far outnumber men of voting age, which makes this district "potentially critical." In light of other problems such as an inadequate PRI organization and an absence of leadership, the researchers are recommending that PRI nominate a prestigious, politically savvy woman as its candidate. The seat was won in 1982 by Jose de Jesus Fernandez Alatorre, who lost 6 precincts and was almost defeated in another 19.

The 16th district in the Benito District delegation is one of the most difficult in Mexico City. It comprises 14 communities with a middle class population of some 260,000. Voter abstention is high. Twenty percent have had some higher education, and another 20 percent have gone to secondary school. In 1982, Jose Aguilar Alcerreca, the incumbent deputy, lost 15 precincts and had a tough fight in 30 others.

In contrast, the 32nd district is of no worry to PRI, because it has a strong organization there, good levels of party registration and fine work by the "leadership." Moreover, the incumbent deputy, Luz Lajous, lost only 2 precincts and won narrow victories in 12. The district is located in the Miguel Hidalgo delegation and consists of 16 communities with a population of 271,000 from all social classes.

The same is not the case with the 33rd district, which is termed "critical." This middle, upper-middle and lower-class district has severe housing and prostitution problems, and its 250,000 residents are concentrated in just 4 communities. It is part of the Cuauhtemoc delegation, and PRI is having organizational and membership problems there. Jose Parcerio Lopez is the incumbent; in the last election he lost 1 precinct and almost lost 14 others.

### Three Very Different Districts

The 8th, 17th and 36th districts were included in zone 7 because they contain a high percentage of middle- and upper-income earners and pose major problems for PRI.

The 8th is divided between the Miguel Hidalgo and Alvaro Obregon delegations and has a population of 250,000 in 33 lower-middle class and upper-class communities, including Las Lomas. PAN's vote total was 60 percent of PRI's in the last election and 95 percent in 1979. PRI also has organizational problems. In 1982, Deputy Juan Saldana lost 30 precincts and won narrowly in 26 others.

District 17, with its 30 communities located in the Miguel Hidalgo, Benito Juarez and Alvaro Obregon delegations, is described as one of the toughest for PRI because of the contrasting socioeconomic conditions of its 260,000 inhabitants, the high voter abstention, the almost nonexistent party registration and the lack of leadership (prominent members of PRI have always been nominated here); furthermore, in 1982, Guillermo Davila Martinez, the incumbent deputy, lost 36 precincts and won narrowly in 38 others.

The last district in the zone is number 36, which is divided between the Alvaro Obregon and Benito Juarez delegations and has a population of 260,000 in 20 communities. It is termed "critical" because voter abstention is very high among the middle and upper middle classes there, the percentage of women is higher than average, and there is a heavy proportion of private sector white-collar workers and professionals. On the other hand, the official PRI organization and the party's registration level are regarded as acceptable. In 1982, Armando Corona Boza lost 46 precincts and won narrowly in 25 others.

#### Two Problem Districts and One Critical One

Zone 8 was put together on the basis of regional criteria and consists of districts 23, 24 and 38. The first two are described as troublesome, and the other as critical.

The problem with district 23, which is divided between the Cuajimalpa and Alvaro Obregon delegations and consists of 120 communities where 800,000 people of all social classes live, is, according to the investigators, that PRI has almost no organization there, party registration is low, PAN garnered one of its highest vote totals (27,000 against 57,000 for PRI), and people from higher income strata have moved there and are expected to vote against PRI. Servio Tulio Acuna, the incumbent deputy, lost only two precincts in 1982 and almost was bested in another five.

The 24th district comprises 115 communities in the Tlalpan and Xochimilco delegations with an estimated population of 800,000 people from every social class. It is regarded as a problem because in 1982 the incumbent, Daniel Balanzario Diaz, lost 42 precincts and won narrowly in 78. The vote was 62,000 for PRI, 44,500 for PAN and 16,000 for PSUM. In addition, party organization and registration are so-so. The district has a high percentage of farmers and livestock raisers and has seen an increase in middle- and upper-class housing developments.

The other district in zone 8 is number 38. It consists of 33 communities in the Alvaro Obregon and Magdalena Contreras delegations and has a starkly contrasting population of 250,000 with mainly intermediate and higher education levels. The PRI organization is nonexistent, and no recruiting work had been done (perhaps it has now). For all these reasons it is described as among the most critical districts. Alejandro Posadas, the incumbent, lost 20 precincts and won narrowly in another 15 in the last election.

### Three Critical Districts and Another Not So Critical One

Districts 22, 27, 35 and 39 were included in zone 9 because they are CNOP seats and are located in similar regions.

District 22 comprises 36 communities in the Alvaro Obregon, Coyoacan and Tlalpan delegations, has 250,000 inhabitants, shows a predominance of the middle and lower classes with a high percentage of advanced schooling and suffers from severe land tenure problems, some of them resolved by now. In the last election, the voting was heavy for the PSUM, relatively heavy for the PRT, and up 80 percent for PAN, which almost equaled PRI, whose organization is embryonic but which has good registration levels. The Alvaro Obregon area is the critical one.

The PSUM's candidate poses a threat because of the proximity of UNAM [National Autonomous University of Mexico]. The current deputy, Jose Carreno Carlon, lost 18 precincts in 1982 and won narrowly in 22 others.

The 27th district is termed "one of the toughest." It is divided between the Iztapalapa, Coyoacan and Tlalpan delegations. It consists of 83 communities with an estimated population of 800,000 (there are no official figures). It is predominantly middle class, with a great many professionals; urban problems are acute. PRI has no organization there and used to suffer from internal strife (it is not known whether this is a thing of the past), though membership levels are excellent. In the last election PAN tripled its vote count. Xochitl Llarena de Guillen lost 21 precincts and won narrowly in 31 in 1982.

District 25 has 20 communities in the delegations of Venustiano Carranza, Cuauhtemoc, Iztacalco and Benito Juarez, and most of its 240,000 low- and middle-income residents are white-collar workers and merchants; it suffers from a shortage of housing and schools. PRI has no organization and almost no registered members there, and thus the district is worrisome from an electoral standpoint. An in-depth restructuring has already been undertaken, but the district is still described as "critical." Armida Martinez Valdes lost 3 precincts and won narrowly in 16 in 1982.

The last district in this zone, number 39 with 29 communities in Coyoacan and Benito Juarez, has also been called "critical" because PAN increased its vote total by 150 percent in 1982, and the PSUM also did well, while PRI upped its vote total by just 5 percent. The district's socioeconomic makeup is quite varied, and a great many college students live there. In the last election, Alicia Perla Sanchez Lazcano lost 22 precincts and was almost defeated in another 25.



### The Three Remaining Districts

The 10th and last zone consists of districts 21, 26 and 40. Social and regional considerations were taken into account in putting it together.

The 21st district has 20 communities in the delegations of Iztacalco and Iztapalapa, and its 260,000 residents are mostly from the lower-income strata with primary- and secondary school education. There is a severe shortage of public utilities, and consequently many demands are going unmet. It is described as a "problem" district because of the 150 percent increase in the vote for the PSUM at the expense of the PRT, the almost 5,000 ballots cast for the PRT and the 100 percent rise in votes for PAN. The vote for PRI was up only 50 percent. Everardo Gamiz Fernandez lost 3 precincts and narrowly won 24 in 1982.

The 26th district consists of 25 communities with a population of 280,000 and is located in the delegation of Iztapalapa; the lower class predominates, mostly peasant farmer immigrants from the countryside. Not much progress has been made with a membership drive, but the party's organization is acceptable, and PRI does not expect to have much of a problem in spite of gains by leftist parties. The incumbent, Ignacio Cuauhtemoc Paleta, lost two precincts and won narrowly in three in 1982.

The last district, 40, with 71 communities in the delegations of Milpa Alta Tlahuac and Iztapalapa, has severe land tenure and public utilities problems. It is regarded as a problem district. The current deputy, Norma Silva Lopez Cano, from the farm sector of PRI, lost 32 precincts and won 16 others narrowly in 1982.

8743

CSO: 3248/287

MEXICO

INDUSTRY LEADER EXPLAINS PROBLEMS CONNECTED WITH RELOCATION

Mexico City EXCELSIOR in Spanish 19 Feb 85 pp 1-A, 12-A

[Article by Nidia Marin]

[Excerpt] The time to make decisions and a clear idea of desirable urban conditions will be factors in making Mexico City a model city, Jacobo Zaidenweber, president of the Confederation of Industrial Chambers (CONCAMIN), said yesterday. Regent Ramon Aguirre Velezquez told manufacturers that as a form of government, the administration respects individual interests, but that it puts the collective interest ahead of them.

Zaidenweber stressed that the relocation of industries means a high cost for the country because of the fact that areas outside the large cities lack the necessary infrastructure and trained personnel, independently of the labor problem which settling the workers involves.

At the meeting held at CONCAMIN headquarters on "Conclusions on the Program of Urban Redevelopment and Ecological Protection of the Federal District" (PRUPE), as part of the consultation of the people underway, the industrial official said that the problem at hand is whether Mexico City is unsuited for the establishment of certain private industries or whether those industries are unsuited to Mexico City.

He then spoke of the elements and resources needed by an industry, the articles provided by the environment, saying that the scarcity of some of these elements is the factor that might make a specific industry unsuited to a given place, city and its environment.

He noted that if at some time rationalization of industrial location is proposed, then the goals set forth must be governed by specific suitability or unsuitability, based on the resources that can be provided by the city for any industrial plant, without damage to a balanced social coexistence.

The establishment of parameters or clear standards that an industry must meet for its adequate interrelation with its urban environment must be the guide for proper location.

He added that goals such as achieving a certain degree of air, water and soil quality and real limitations such as the amount of water or energy available may guide the careful determination of conditions under which industry must operate in a certain location. This would be a final criterion for restrictions on new facilities or the transfer of others.

Zaidenweber noted the unsuitability for Mexico City of generalizing the entire branch of an industry, for this might turn out to be superficial, simplistic and even dangerous due to the effect on labor sources.

He also specified that one must not forget that technological development may also distinguish productive units within a certain activity! He was specific: Obsolete industries may be polluters, modernized industries may cease being so and modernization appears unlimited in the future. Generalization also appears to be "arbitrary" for this reason.

Zaidenweber noted that industrialists consider that the search for praiseworthy objectives such as organizing the city and protecting the ecology cannot be achieved by decisions that do not consider specific differences between the various types. Furthermore, if they were regulated precisely and within realistic guidelines, as operating norms that industries must meet in order to define their suitability for Mexico City should be, then such regulations would be used for a careful analysis of particular cases, which in turn would make it possible to make business decisions.

11,464  
CSO: 3248/278

MEXICO

CAPITAL, BANAMEX PROVIDE CREDIT FACILITY TO SMALL MERCHANTS

Mexico City EXCELSIOR in Spanish 17 Feb 85 pp 5-A, 29-A

[Article by Nidia Marin]

[Text] With the direct participation of the National Bank of Mexico (BANAMEX), the government yesterday set up a new system of credit for supporting small merchants, the objective being to eliminate middlemen and offer more reasonable prices to the public.

This system of credentials is to be used in purchasing products. Yesterday, the first 804 identification cards of the BANAMEX-COABASTO [expansion unknown] system were issued. The cards will guarantee financing to public market tenants and members of purchasing unions in the Federal District.

Only merchants who signed their credentials may purchase products from the system.

In joining the system, they obtained life insurance worth 2 million pesos free of charge.

The financing was established at the request of small merchants. It was arranged by the Department of the Federal District and the National Bank of Mexico in the presence of President Miguel de la Madrid, the head of the capital government, Ramon Aguirre Velazquez, and Fernando Solana Morales, general director of BANAMEX, on 10 January.

At yesterday's ceremony, held in the auditorium of the Neighborhood Association of the Benito Juarez delegation, Miguel Angel Lara, from the Supply and Distribution Coordinating Committee of the Federal District, and Jesus Flores, of the National Bank of Mexico, said that with the identification credentials issued to tenants, merchants obtain an initial revolving loan, which may be increased, of 75,000 pesos to be used for fruits, vegetables, fish and seafood, and of 150,000 for butchers.

The new system, they said, increases the working capital of small merchants, allowing them to purchase their supplies under better conditions of quality, quantity and price.

Starting yesterday, 90 wholesalers of the Supply Central, the Industrial Supply Center and the Fish and Seafood Distribution Center of the Department of the Federal District were operating using the credentials, they said.

The new system is a means of eliminating the flaws, abuses and limitations in credit to the small merchant that had become a custom of markets in Mexico City.

The goal is to bring into the system all producers, wholesalers and small merchants who participate in the supply and distribution of basic products and general consumer goods in the Federal District.

11,464  
CSO: 3248/278

MEXICO

NEED FOR KNOWLEDGE OF SOCIALIST COMMERCIAL PRACTICES NOTED

Mexico City EXCELSIOR in Spanish 15 Feb 85 pp 5-A, 8-A

[Article by Edith Jimenez]

[Text] It is necessary to have greater information about the commercial practices of the socialist countries of East Europe in order to do away with myths and fears and revive the flow of Mexican goods to that region of the world, Manuel Armendariz Etchegaray, director of the Mexican Foreign Trade Institute, said yesterday.

At the closing session of the Seminar on Trade and Economic Relations With Socialist Countries of East Europe, he stated that specific proposals of Mexican products that might be traded with those nations should be drafted.

Other measures would include freeing trade in order to revive it, sharing efforts and determination between institutions in order to promote and strengthen it and ensure and oversee compliance with the different trade agreements signed between Mexico and the socialist European nations.

He spoke of the importance of sponsoring nontraditional trade mechanisms such as bartering and of remedying the lack of convertible currency, as well as establishing greater contact between the Mexican export community and the proper foreign trade officials in those countries through specific promotional activities.

Dr G. Krasnov, director of the Division of Trade with Socialist Countries of the General Secretariat of UNCTAD, said that, given the policy of helping developing nations, as in the case of Mexico, the United Nations, through the organization named, pledges to complete studies with precise information on the trade requirements of socialist European nations.

The director of bilateral economic policy of the Secretariat of Finance and Public Credit, Miguel Rolando Herrera, emphasized the need to relate medium- and long-term proposals of the Mexican economy with the trading requirements of socialist nations belonging to the Council for Mutual Economic Assistance (CEMA).

Finally, he noted that the work of the seminar will deal with the path to be followed to strengthen commercial relations between the countries mentioned.



NETHERLANDS ANTILLES

BRIEFS

ARUBA LIQUOR SALES BANNED--In the island of Aruba, one of the Netherlands Antilles, a temporary ban on sales of intoxicating liquor is in force. An exemption is being made for hotels to spare the tourist trade. The measure is in connection with unrest in Aruba over a 10 percent pay cut imposed on public employees for austerity reasons. Dock workers have meanwhile begun industrial action in sympathy with the public employees strike. They are blocking container shipments arriving in Aruba. Middle-level firemen of the island have gone on strike. [Text] [Hilversum International Service in English 1030 GMT 14 Mar 85] 0926

CSO: 3200/30

PERU

# ECONOMY MINISTER HOPES TO AVOID FINANCIAL PARALYSIS

Lima OIGA in Spanish 11 Mar 85 pp 9, 82

[Commentary by Humberto Li Verastegui]

[Text] The difference between the administration of Benavides Munoz and that of Garrido Lecca as economy ministers is that the former minister "suffered" Sandro Mariategui and the current minister "corrected" him, said a source close to Palacio Thursday, commenting on the presentation made by the inhabitant of Avenida Abancay.

Garrido Lecca reported on the mission he accomplished humbly, without a lot of fanfare. He has managed to keep us financially afloat in a sea where more than one country is taking on water.

Between the lines, however, he hinted at serious errors, such as the erratic exchange policy that he claimed caused major losses of international reserves despite the shrinkage of imports and the failure to pay the debt in 1984.

The minister also stressed the inaccuracy of the "prognoses" by the president of the Central Reserve Bank (BCR) and other economic gurus. The fiscal deficit that everyone is harping on, which was supposed to reach US \$2.3 billion, totaled US \$1.377 billion, which is still not exactly chicken feed.

He also warned the "high-rolling" ministers--such as the minister of agriculture, who was gearing up for another "donation" to the sugar cooperatives--that that level of public deficit would not be maintained. On the contrary, his goal, he said, was to keep it from rising above 7 percent of the GDP (about US \$1.19 billion).

Analysts perceived certain allusions to Sandro Mariategui and his administration as "hyper-minister of economics" when Garrido Lecca indicated that "measures to increase revenues have already been taken."

Among them, the price of oil derivatives was increased, over the objections of the former premier; the general sales tax was increased, after the son of Amauta lowered it from 18 to 8 percent, so that it now stands at 11 percent; tariffs, in specific cases, were also raised, instead of an across-the-board drop as proposed by the "muppets."

To satisfy Belaunde Terry's legitimate desire to complete public works projects, Garrido Lecca agreed not to interrupt them, and the president approved a slow-down in their rate of completion.

Other short-term projects in the provinces, which provide simple, local jobs, will not be halted either.

Garrido Lecca has warned the new government that the price of gasoline will have to go up if the fiscal deficit is to be kept within reason. (According to our calculations, a gallon of 84-octane gasoline should be raised to at least US \$1.40 by July, unless other alternatives are found for raising fiscal revenues.)

No less significant is that, according to Garrido Lecca, "the Central Reserve Bank has adopted an exchange policy," which implies that Webb did not used to have one. This confirms the serious accusation made by Manuel Moreyra in a recent interview with OIGA.

It is noteworthy that until July of this year, Webb will prevent the public sector from abstaining from using the additional flow of credit. Is that another concession to the presumably winning party by the president of the BCR?

The impact of military spending on our imports should also be clarified, because if we add the requirements for inputs (US \$1 billion), food (US \$300 million) and an additional US \$700 million for servicing the foreign debt, our foreign exchange needs total some US \$2 billion. We know full well that the total outlays for imports are about US \$2.2 billion, which means that in the middle of a crisis, we are purchasing some US \$300 million in military goods and are allowing US \$40 million a month to leave the country through tourism abroad. This has been going on since Webb took over the BCR, as he began allowing every traveler to take up to US \$8,000 per year; until a few months ago, the price was even subsidized.

Thus, Garrido Lecca has had to clean up after other people's mistakes, but he has achieved his goal of preventing total financial paralysis by persuading the foreign banks to keep the credit lines we still have (US \$350 million, compared to nearly US \$2 billion obtained by Rodriguez Pastor). Moreover, we must bear in mind that whereas the latter did not have to contend with a significant unpaid debt, Garrido Lecca has negotiated during a time when we face a debt of US \$3.5 billion that is either due or about to fall due.

Webb has assured the minister that "there will be more flexibility to manage the devaluation rate." The president of the BCR, however, continues to "overvalue the dollar," perhaps in hopes of "gaining a little bit of favor" with the new administration by giving it enough leeway to begin reducing the minidevaluations in July.

Meanwhile, in the external sector, Peru has won another battle for textile and clothing products. While a compensatory tax (or surtax) of 5.0 percent has been levied on Sri Lanka's textile products and one of 4.5 percent has been imposed on Argentina's, Peru's goods have been subject to a surtax of just 2.8

percent. As for clothing, Argentina has had a 9.8 percent surtax slapped on its goods, while our country has not had to suffer any compensatory duty. These surtaxes are added to the basic tariff (10 percent) that is levied across the board on all goods exported to the United States by any country.

The tax increase resulted from the claims filed with the U.S. Department of Commerce, after an investigation into the matter. The decision was so favorable to Peru that several Yankee unions have "protested vociferously."

Much of the credit for this success goes to the efforts of Ambassador Luis Marchand and the excellent work done by our vice minister of commerce.

In addition, Colombia will reportedly sign an agreement with the United States to suspend the subsidies received by its textile exports, just as Peru and Thailand did, although just for textile products and not clothing.

In contrast, our folk crafts, alpaca items (scarves, sweaters, etc.), and handmade tapestries and rugs may be sold freely in the United States, without additional taxes.

8926

CSO: 3348/488

PERU

# SPANISH JOURNALIST ANALYZES SOVIET STRATEGY IN APRA

Lima OIGA in Spanish 11 Mar 85 pp 13-14

[Article by Carlos Alberto Montaner]

[Text] One of the most penetrating analyses of Peru's situation that we have read in recent times is this one written by Carlos Alberto Montaner (a renowned observer of the world who is very familiar with Peru because he lived among us for several years) and published in a Spanish daily (ABC). Aside from a few forgivable errors--such as portraying Alan Garcia as persecuted by the military dictatorship--Montaner has discovered some hidden aspects of Peru's political scene.

The next president of Peru should be Alan Garcia. I met him and grew to like him in Madrid, years ago, when he was persecuted by that comic opera Marxist, Velasco Alvarado. I saw him again recently in Lima, now playing the role of political and spiritual heir to Haya de la Torre.

I was introduced to Garcia by Javier Valle-Riestra, today one of the most important leaders of the American Revolutionary Popular Alliance (APRA), but at that time just a combative and unyielding exile who responded to every attack with ten conferences and a hundred articles. I never thought that Valle-Riestra would be able to raise the mountain of calumny with which he tried to bury the dictatorship, but he succeeded; he triumphed in Madrid as an attorney, and now he is, along with Alfredo Barnechea, one of the key figures in the APRA party. He is also considered to be presidential material after Alan Garcia finishes his term.

If he does finish it. The Peru that will probably elect him is becoming stubbornly resistant to being governed. The enormous, unpayable public debt; the infuriating problem of cocaine with its byproduct of "gangsterism," corruption and "narcoguerrillas;" the collapse of the economy; the activities of Sendero Luminoso; the constant agitation by the Marxist left; the flight of capital; the discouragement of the bourgeoisie; the "Calcuttization" of Lima under the burden of incessant immigration; and above all, the terrible pessimism that prevails in the country, all point first to chaos and disorder, and then to an authoritarian adventure--yet another one--probably beginning on the right but heading in an unpredictable direction once it gets going.

Perhaps the burden is too much for Alan Garcia to handle. In the final analysis, at 36 he will be one of the youngest presidents ever elected in Latin America. It is true that he is a moderate man, with a democratic and anti-totalitarian ideology, closely following the ideological line of Felipe Gonzalez; but he is still naive enough to go to North Korea and to be taken in by a crass spectacle of praise and flattery, complete with Mig escorts, red carpets and thousands of uniformly obsequious, smiling children.

The Soviets have their plans for Peru and for Alan Garcia, perhaps unbeknownst to this political ingenue. It is not for nothing that the largest Russian military mission in the Americas--larger, even than the one in Nicaragua--is in Peru on the pretext of servicing the weapons and military equipment purchased by Lima during the Velasco Alvarado era. Moscow has invested too many millions of rubles, too many men and too much hope in Peru to give up on the idea of installing in the Government Palace another pro-Soviet, anti-U.S. regime.

They want to do this with Alan Garcia . . . or without Alan Garcia. And for this purpose, not only have they begun quietly to infiltrate APRA, but they have achieved something incredible: the conversion of the old leader Armando Villanueva, whose years in the shadow of the anti-totalitarian Victor Raul Haya de la Torre were not enough to convince him of the grave danger posed by Moscow and the communists.

The Soviets' strategy is clear: Alan Garcia, with absolutely no government experience, will begin his term on the brink of the abyss, despite the conciliatory efforts by the survivors of the old guard, such as Luis Alberto Sanchez and Ramiro Priale. Moscow first will try to break up the APRA movement, getting rid of the moderate wing of the party. Then it will offer Garcia the cooperation of the left in exchange for a progressive return to the positions taken by Velasco Alvarado in international politics.

For Garcia, the temptation will be tremendous, because the Soviets can control the degree of chaos in the country at will. Increased cooperation with the guerrillas would be enough to make the young president feel besieged. With the Belaundists on his right, and after the elimination of the moderate Aprists, what other backing would Garcia have than the left of his own party, which is today partially controlled by Moscow? Thus, the gradual progression toward the Soviet camp would be a step as tempting as it is fatal.

What alternative remains for Garcia, then? Perhaps the same one chosen in Spain by his hero, Felipe Gonzalez: negotiate and govern with the party's moderates in order to prevent conspiracies in the barracks and the disintegration of the already tormented economy. Why not follow that route? In the final analysis, there does not seem to be a great deal of difference between a Gonzalez and a Garcia.

8926

CSO: 3348/488



PERU

BRIEFS

PEASANT EXODUS DAMAGES ECONOMY--Tingo Maria--Passenger transport services in this city are being overwhelmed by people scrambling for rides to Lima, in anticipation of the siege in the fighting between alleged Senderists and the repressive forces. The peasants are leaving their crops in the fields to go to urban centers, in fear of their lives. This means that goods that can be taken along are in short supply, while unscrupulous merchants are cashing in on the lack of control by municipal authorities. The exodus of peasants is also of concern to the leaders of the Naranjillo Agrarian Cooperative, in view of the drop in production and deliveries. If the activities of the alleged Senderists or drug traffickers and the repression do not cease, this situation will result in a lack of liquidity for paying loans, which will threaten the opening of an industrial complex for cacao production. [Text] [Lima El DIARIO DE MARKA in Spanish 13 Mar 85 p 7] 8926

CSO: 3348/488

ST LUCIA

UNITY OF THREE PARTIES' VIEWS IN ONE GROUP ESPOUSED

Castries CRUSADER in English 16 Feb 85 p 5

[Nicholas Joseph column "Tete-a-Tete": "Towards Political Unification"]

[Text] They Don't Want to See Us Unite. All They Want Us To Do is Keep on Killing One Another - Top Ranking.

When the late Jamaican Reggae Star Bob Marley penned these words he was reflecting on a situation in his country where political bickering had painfully divided his people into two hostile and warring camps. The division was so acute that many innocent Jamaicans had lost their lives, and apparently what appeared to be more serious to the Jamaican Reggae Star, was the fact that there were people in the society who were prepared to see that the people remained disunited. Maybe the Jamaican Star was focusing on an even greater dis-unity which we as Caribbean people have become victims to; a people politically divided and economically disjointed.

NO DIFFERENCE IN ST. LUCIA

Most St. Lucians will agree with me that the situation in our country today is no different than that of Jamaica at the time when the song was written. The only exception is that we have exhibited a higher level of political maturity, in that we have not resulted to killing one another; at least not physically. However there is no guarantee that if this level of division is not brought under control, we too, will not reach that stage. It is precisely a situation like that of Jamaica that I have foreseen. (Although I am not a prophet) why I have decided to call St. Lucians to come together at this time.

A SICK SOCIETY

All who listened to the United Workers Party meeting on the William Peter Boulevard last week will agree with me, that St. Lucia is virtually at the point of death. When I say death I mean morally, ethically, economically and politically. Our Prime Minister is the single greatest factor which has contributed to this death, because in less than thirty minutes of speaking, the Prime Minister destroyed all legal ethics, and threw all moral and political values out of the window by his political arrogance and opportunism. In our Prime Minister's voice the echoing sound of division was heard as he called sections of the crowd, parasites who were depending on U.W.P. to do work for them, while all they could do is to beg 'gimme a dollar'. It is this state of affairs coupled with other considerations which force me to call for political unification or accommodation. Some people may feel that political unification is not necessary, but I will encourage them to think again.

COUNTRY BEFORE SELF

There are many Political Opportunists around the place who will no doubt welcome such a suggestion, not because they are interested in the country, but because they see an opportunity for climbing the political ladder without

working. Such political opportunist we must always be on the look-out for, in any accommodation or coming together. Regardless of this the undisputable fact remains that there should be a coming together. On the other hand there is another class of paid opportunists who will do all they can to prevent any coming together for their sole purpose in politics is to keep the working class divided. Consequently, any time there appear to be a move to unite the masses some kind of "Saviour" appears on the scene. In the light of these two extremes of opportunism my opinion of a coming together is based on firm grass roots principles, anything else must be disregarded. Such a coming together must be broad based so that every sector of the community is represented, that the concept of U.W.P., P.L.P. and S.L.P. will be totally eradicated and St. Lucians will be united under one umbrella called the United People for Development (UPD).

#### A BITTER PILL

I am quite aware that such an idea will be a bitter pill for a number of people to swallow, since such a system will do away with the executive positions of a number of people, and human nature being what it is, they will not want to give up such powers and positions. However, the situation in the country demands more than just our individual positions. It demands commitment, sacrifice and dedication, to the cause of the working people. Don't tell me it cannot work. Our history tells me that it can, because before there were political parties, the society existed, further more, after the demise of the Labour Party in 1981 we saw the formation of an interim

Government which brought stability, unity, peace and co-existence to our society. If this method of government which I am advocating is to be successful, then greed, selfishness, pride and the love for power must be done away with.

#### MAN TESTED AND TRIED

I have left the question of leadership last, simply because I consider it of little value, and of the least important in such a venture. However, I am quite aware that it is the biggest thing which must be tackled.

I left it last because my concept of leadership is very broad, and I don't see leadership as belonging to any one particular individual. True it is that some men are born leaders while others are made leaders, and still some others will never become leaders. However, in such a quest for unity, we must not overlook the significance of the man to be at the head. To my mind such a man must be one who has been tested and tried by the masses. One who stands by his principles regardless of whether the whole world is going wrong.

One with sympathy for his brothers and sisters. One who has worked and is still working for the cause of the working class. One who cannot be bought or sold, and finally he must be one who has shown a genuine willingness to unite our people. To find such a man will not be difficult, for there are few such men in St. Lucia. Brothers and Sisters, are we going to remain divided, or are we going to seek a united front, under a capable and dedicated leader to lead us from the rough seas of state shipwreck? The answer and the decision is yours, but remember United we stand, Divided we fall.

CSO: 3298/497

ST LUCIA

LANSIQUOT ANNOUNCES FORMATION OF GOVERNMENT WAGES COUNCIL

Castries THE VOICE in English 6 Mar 85 p 1

[Text]

GOVERNMENT has appointed a Light Wages Council to look at the wages presently paid to workers in the garment, electronics and other such like industries and to determine a minimum wage for these important workers.

That's what graduates of the OAS/USAID non-formal skills training programme were told by Romanus Lansiquot, Minister for Community Development, when he addressed a graduation ceremony at the CSA Centre last Sunday.

Lansiquot said, there has been in recent times some measure of community concern regarding the low level of wages to persons engaged in the garment/electronics industry and it is felt in all circles that these anomalies in wages should be expeditiously adjusted.

He told the graduates that they must commit themselves to be good, reliable, honest, disciplined and above all a conscientious worker.

"You must not idle on the job, you must be efficient, you must aim at high standards and good quality... you must make your motto: Efficiency, high standards and great productivity," he said.

He added: "You might ask why am I stressing on quality workers, why am I asking for greater standards and productivity by our workers — why is the Government stressing on efficiency at the work place."

"It's simple, nowadays to run a Government or a business one needs to be efficient... too many people think that once you have a business you are rich — you are well off — too many people think that because you form the Government — there is a money tree somewhere in the treasury which when shaken will give you all the money you need. This is far from the truth," added Lansiquot.

Mr. Lansiquot said that to be in business today — whether it is a private business or just running a Government, one must at all times seek to operate this business in an efficient and professional manner, there is always the bottom line to consider and if a business is not profitable it is no point continuing... this is a fact of life and anybody who tells you otherwise is dishonest.

"Therefore, it is vitally necessary and important for you as graduates to bear this in mind at all times — whether you are self-employed or employed by someone, you have a responsibility to yourself and to your employers to be a conscientious worker," said Lansiquot.

He added that Government was aware of the necessity for a just and fair wage and that is why it approved the recommendations of the Wages council for an increase in wages for certain categories of workers, among them being clerical and shop assistants, janitors, porters and messengers.

"These are, Mr. Chairman — a review of the severance pay, which is grossly out of proportion with present day

realities and needs, and I am pleased to inform you that at present the Attorney General's Office, the Ministry of Labour and other interested agencies are giving serious consideration to the upgrading of the out-dated severance pay structure, said Lansiquot.

He said that occupational health and safety measures in the work place was vitally necessary especially now that St. Lucia is heading towards industrialisation in a big way.

Lansiquot said that in the next few months, Government will make a very positive statement on all of these vital issues viz, Severance pay, Recognition of Trade Unions, Occupational health and safety measures and the Light Industries Wages Council.

CSO: 3298/497

ST LUCIA

'WILFULL' WATER CONTAMINATION, DEFORESTATION CONCERNS

Castries THE WEEKEND VOICE in English 2 Mar 85 p 1

[Text]

PUBLIC Utilities Commission Chairman Vernon Cooper has expressed concern over the destruction of the forests and the security of the island's water supply from wilfull contamination.

During hearing this week of an application by the Water and Sewage Authority for increased rates, reference was made to the recent shutting down of the water supply in one real area as a precaution, after a private water source in the area had been deliberately contaminated by a resident.

WASA Chairman Dunstan DuBoulay told the hearing that the Authority had taken no chances and had turned off the supply until the remotest possibility of danger to consumers had been removed. But he pointed out that it was not the Authority's supply that had been contaminated.

Cooper however pointed out that WASA's supplies were vulnerable to that sort of attack. He asked: "Is it not possible that a person can recklessly contaminate a river and endanger the lives of the public?"

Mr. DuBoulay replied that there was that possibility, to which Mr. Cooper replied: "This is a very serious matter, if I can be dead overnight by drinking a glass of water."

Mr. DuBoulay pointed out that the security of water supplies from this sort of attack was a worldwide problem. But he added that WASA had monitoring devices to detect contamination in water before it reached the filtration stage, adding that the Authority's supplies could not be contaminated once it had reached the filtration plant.

Wanton deforestation was also affecting the island's water sources, Mr. DuBoulay told the hearing. Because of this it was important that new sources be developed in the Castries area, he said.

WASA officials said that one source had been developed in the Millet area and had to come on stream immediately otherwise there may be difficulty in supplying the hotels, as far as Cap Estate.

DuBoulay said that the destruction of the forests was posing additional problems to WASA since new water sources had to be developed at very high cost. He said that steps were being taken to stop the destruction of the forests.

But Chairman Cooper pointed out that Forest Rangers were afraid to police the forests because of fear of being attacked by the offenders. "Policemen would have to go in there with guns, to protect the forests or else we won't have any water in time to come. This is what concerns the public: whether we will allow vandals to destroy our forests or use brutal forces to expel them," Cooper said.



ST LUCIA

# COMPTON CRITICIZES CURRENT BRITISH ROLE IN CARIBBEAN

FL131632 Bridgetown CANA in English 1758 GMT 12 Mar 85

[By Ernie Seon]

[Excerpts] Castries, 12 Mar--St Lucian Prime Minister John Compton has criticised Britain for what he says is its failure to maintain and strengthen links with the region. He said that Britain had in the past played an important role in the economic development of the region, but said recent events have shown that the former colonial power still has fences to mend in the Caribbean.

Compton's remarks were made at a trade seminar organised by the West India Committee of Britain, which promotes trade with the Caribbean.

He restated his disappointment that the Margaret Thatcher government did not at first support the U.S.-led invasion of Grenada proposed by its present and former colonies in the Eastern Caribbean to rid the island of a Marxist military regime.

That the British Government did not share our perception of this threat and did not at first support our initiative is a matter of the deepest regret because we were faced with the greatest challenge to our existence as free and democratic nations, Compton said.

The fact that Britain did not stand by us when we were in mortal danger still rankles in the public mind, Compton added. Britain therefore still has fences to mend in the Caribbean.

He praised Britain for making special arrangements to defend the Windward Islands' banana market in the face of international pressures for its discontinuation, without which the entire industry would face immediate collapse. However, he said the industry was now being threatened from another quarter, the instability of the financial market and the rapid deterioration of the pound sterling.

Noting that the Windwards' proposal for a fixed rate banana pound did not find favour with the British Government, he regretted the fact that no alternative mechanism was advanced. The erosion of farmers' income was therefore continuing at an alarming rate, he said.

In 1984, the St Lucian farmer nationally lost some 20 million dollars (one EC dollar; 37 cents U.S.) or more than one-third of their income as compared with 1983. It is therefore a matter of some urgency that a mechanism be devised to protect this industry against the world gyrations of currency fluctuations and restore its prosperity, he said.

Looking at the trading relationship with Britain, Compton noted there is hardly a British car on our roads and Japanese pickup trucks are the normal mode of transport for our farmers who sell their bananas to Britain.

He said delivery dates from Britain are lengthy and unreliable in spite of regular shipping. That we turn elsewhere for supplies is therefore not always a matter of choice.

British performance in the field of private sector investment, Compton said, has been no better than in areas of trade and aid.

The prime minister also made reference to the unsuccessful efforts by his government in its negotiations with Britain to have BWIA, the Trinidad and Tobago carrier, designated as St Lucia's national carrier to operate the London-St Lucia route, as the two flights a week operated by British Airways are not considered sufficient.

Noting that Canada had in fact already done this with respect to the Toronto/St Lucia route, he said: We expected similar generosity from Britain, but this has not been forthcoming with the enviable comparison between the British and Canada attitudes.

Compton added: Insignificant as all these may seem by themselves, they tend to add up and call for considerable fence mending on Britain's part if we are not forced to feel like toddlers tossed out at the deep end and forced into battle in the turbulent seas of the international environment.

CSO: 3298/475

TRINIDAD AND TOBAGO

PNM DIVISIONS SAID TO SPARK CHAMBERS CABINET RESHUFFLE

External Affairs Split

Port-of-Spain EXPRESS in English 22 Feb 85 p 32

[Excerpt]

**THE** appointment of Annette Auguste as Permanent Secretary to the Prime Minister has heightened fears within the Ministry of External Affairs that the Prime Minister's office is setting up a department of External Affairs within its White-

hall domain.

Auguste, a career diplomat, was transferred from the Ministry of External Affairs, where she had achieved ambassadorial rank, to the Prime Minister's office with effect from February 20. She last served as Ambassador to Venezuela where she was posted for the last four and

a half years.

Senior officials in the ministry pointed out that Prime Minister George Chambers replied to the invitation of his Barbadian counterpart, Tom Adams, to hold talks in Barbados, directly through the Trinidad and Tobago High Commission in Barbados. This meant he had bypassed procedure by not informing head office at Knowsley and referred the matter directly to a department.

PNM 'Petty' Squabbles

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 85 p 1

[Text]

**THERE** is an urgent need to reduce or eliminate the amount of pettiness existing among members of the ruling People's National Movement (PNM), the party's Education Committee reported to the General Council meeting yesterday.

According to a party source, this committee's report took up most of the session which failed to get around to another report prepared by a team which dealt with the Rent Restriction (Dwelling House) Act and the Land Tenants (Security of Tenure) Act.

It was explained that a controversial report prepared by the party's General Secretary, Mr. Alvan Quamina, was briefly mentioned, but Mr. Quamina replied to points made by Prime Minister George Chambers in his capacity as Political Leader of the PNM, at the Council meeting last month.

At that meeting, Mr. Chambers (according to a PNM document) made some observations on the Quamina report although he did not read it as carefully as he would have wished.

**A PROPER WAY**

Mr. Chambers, felt it was quite in order for the General Secretary to project ideas but that there was a proper way this should be done.

(Mr. Quamina's report dealt with the challenges facing the PNM in 1985, a year which he described as an emergency for the party. A request was made for it to be withdrawn).

Referring to a statement in the Quamina document Mr. Chambers said that if anyone doubted the will and capacity of this Government to govern, they did not understand the politics of the country.

22 April 1985

At that meeting, held January 20, Mr. Chambers, according to the document, wondered why nothing was being said about the Secretariat about which persons up and down the country were talking and were of the view that practically the whole (Balisier) office staff should be fired.

Mr. Chambers also stressed there was nothing wrong with the party's Constitution since it catered for every eventuality.

The source claimed that yesterday's meeting was an anti-climax in that major issues expected to be discussed — the Quamina Report and the Alert Report — were not gone into with the depth and intensity anticipated.

#### CLARIFY ROLE

It was further explained that the

Education Committee, headed by Dr. Cuthbert Joseph, Minister of Local Government and Community Development, based on a recent education consultation of the PNM, found:

- The party should become more action oriented.

- There is an urgent need for a party organ to counteract the misinformation which the local newspapers are feeding the public.

- There is need to clarify the role of Parliamentary representatives in the party structure.

- The PNM should establish a "talent bank" as early as possible.

- Mechanism should be developed to ensure proper and adequate communication of information from General Council to party groups and vice versa.

#### Ministry Changes

Port-of-Spain TRINIDAD GUARDIAN in English 1 Mar 85 p 1

[Article by John Babb]

[Excerpts] Prime Minister George Chambers yesterday announced his first Cabinet reshuffle since the appointment of his Ministers in November, 1981. [For ministerial-level cabinet changes, see FBIS Latin America DAILY REPORT, Vol VI, No 043, 5 March 1985, page S 2.]

Mr Chambers also announced a reshuffle of four Parliamentary Secretaries. They are: Mr Ian Anthony, who moves from the Ministry of Sport, Culture and Youth Affairs, to the Ministry of Labour, Social Security and Cooperatives;

Parliamentary Secretary John Scott, moves from the Ministry of Public Utilities and National Transportation to the Ministry of Works, Maintenance and Drainage;

Mr Ashton Ford moves from the Ministry of Works, Maintenance and Drainage to the Ministry of Public Utilities and National Transportation; and

Mrs Amoy Mohammed, from the Ministry of Information to the Ministry of Sport, Culture and Youth Affairs.

All of the new appointments, Mr Chambers told the House, take effect from today--March 1.

#### Comment, Reaction

Port-of-Spain EXPRESS in English 1 Mar 85 p 1

[Article by Andy Johnson]

[Excerpts] A genuine look of excitement and exhilaration washed over the face of former Labour Minister Errol Mahabir as he left the Parliament chamber

yesterday, with the announcement that he had been appointed Minister of External Affairs, in an intriguing round of Cabinet changes announced by Prime Minister George Chambers at the close of the sitting.

"It is for you to speculate," Mahabir said, when asked whether his new appointment meant more or less work for him.

Mahabir was among the 10 Cabinet ministers shifted around in the reshuffle, effective tomorrow, which had been speculated about for several months now, and about which one ministerial source said earlier this week would come as an effort to inspire new hope and vitality across the society.

Following the announcement, several of the transferred ministers left the chamber swiftly with some of them exchanging brief handshakes and words of congratulations among themselves.

One shocker among the untouched ministers was Hugh Francis, who remained in Works, Maintenance and Drainage. It had been speculated that Francis would have been among the first to be shuffled in the Chambers Cabinet because of the presumed atmosphere of testiness between both men.

Francis has been affected, however, by the transfer of three of his public servants, the Permanent Secretary, Chief Technical Officer and Chief Accounting Officer.

In a background briefing session earlier this week, one ministerial source said the time was right for a reshuffle, but that the Prime Minister was in a bind, based on the composition of his Cabinet. This, the source said was so particularly with respect to the "specialists" he appointed following the 1981 general elections and other ministers who were said to have been favoured by the late Prime Minister, Dr Eric Williams.

Among the "touchy" ministries, it was felt, was National Security where, the source said, Donaldson had built up an impressive working relationship and tremendous respect among the various protective services. He held this post for close to nine years.

#### Chambers' Motivations

Port-of-Spain TRINIDAD GUARDIAN in English 1 Mar 85 p 8

[Editorial: "Change Under Siege"]

[Text] The Chambers reshuffle of the Cabinet leaves only 12 Ministers as they were. Only eight Ministries of the 22 are unaffected. Beside the two which Mr Chambers heads, they are Agriculture, Energy, Works, Legal Affairs, State Enterprises and Information.

While junior Ministers stay as they were in Housing, Health and Community Development, their seniors have been moved.



So sweeping a change seems to show the Prime Minister's own mighty dissatisfaction with performance in the Government as a whole.

No one has received the boot, and the Cabinet stays at its original size when Mr Chambers chose his team in November 1981.

However, two have been sent into the corners--the Minister of Health to Community Development and the Minister of National Security to Labour.

### Saving Grace

Mr Chambers and the nation may have to reckon with the consequences for industrial relations, in a critical period, when the new Labour Minister seems to possess no credentials for keeping the industrial relations scene under control.

A saving grace is the Labour Ministry's cadre of experienced and able officials.

Changes among Permanent Secretaries, announced earlier, add a disturbing question about the results of both sets of change. With the Government due to face general elections some time before November 1986, a matter of 27 months, there is considerable lack of continuity in the administration.

The new Ministers, after getting to learn the ropes in their new jobs, have little time to make their mark on the problems put into their hands.

Mr Eckstein's move, from Public Utilities to Health, seems to be due to the hope of Mr Chambers that the Minister will come to grips with the problems which survived, and grew spectacularly, during the tenure of Dr Connell.

Public Utilities was a hot potato and the portfolio was handled with credit.

One of the first targets of Mr Eckstein will be to get the problem of vagrants and mentally disturbed people on the streets within decent bounds. Many will share Mr Chambers' hopes for cooling this potato.

Mr Mottley's move to Industry, Commerce and Consumer Affairs is another positive one, in our view. We hope he can straighten the affairs of a tangled, and important, area of the administration.

### Tower of Strength

Mr Mahabir's move to External Affairs is no reflection on his performance. He remains a tower of strength in the administration and a multi-purpose Minister.

It may be that Mr Mahabir needs a more tranquil setting than the fever-paced Ministry of Labour, and a period of rest and recreation.

Senator Basil Ince's shift to Sport, despite his interest and career as a top athlete, looks to all the world as strange, given Dr Ince's advent to the Cabinet as a specialist in international affairs.



In his new post, however, he has a valuable contribution to make and has the ability to make matters move.

The return of Mr Padmore to National Security can be a plus, in present circumstances, although it comes on the verge of a new education plan. Mrs Gordon will provide a capable replacement, in our view.

Taken as a whole, however, the reshuffle seems to offer little new promise for a better deal to the public or to provide the Government with a sparkling new image.

What it reflects, above all, is a clear recognition by the Prime Minister that his Government is under growing political siege. The challenge Mr Chambers faces, indeed, is the paradox that the more things change the more they can remain the same.

### 'Political Scuffle' Theory

Port-of-Spain TRINIDAD GUARDIAN in English 2 Mar 85 p 3

[Text]

TAPIA House Movement has described Thursday's Cabinet reshuffle as in fact a "political scuffle."

Dr. Beau Tewarie, Tapia's Chairman, in attaching this label to the action announced by Prime Minister Mr. George Chambers in the House of Representatives, said Mr. Chambers exercised his prerogative under the Westminster system "to create an inner Cabinet within the Cabinet of the PNM."

He added: "While he has not put people like Mr. Donaldson, Mr. Carley and Dr. Joseph in the dog house, he has obviously given them very difficult ministries and it seems that the 'political scuffle' is based on political alignment.

"For example in addition to people like Mr. Williams, Senator Martineau and Mr. Jacelon, who are clearly in Mr. Chambers's inner Cabinet, it is also patently clear that Mr. Chambers is moving to put Mr. Padmore and Mrs. Gordon in this inner Cabinet by giving them key ministries."

Arguing that the reshuffle was based on political alignment within the PNM, Dr. Tewarie, a university lecturer, mentioned the case of Dr. Basil Ince who was moved from External Affairs and placed in charge

of Local Government and Community Development.

He said: "Dr. Ince was taken from the University of the West Indies and given the External Affairs portfolio because of his expertise in international relations and in terms of what the Government has set itself, one of which was to get a seat on the UN Security Council, he did perform.

"So that his move indicates that it is not based on what people have done or not done.

"I think it is significant that Mr. Francis was not moved.

"This will also indicate that Mr. Chambers is planning for him ... he wants to keep Mr. Francis busy with DEWD and other headaches associated with the Works Ministry so that Mr. Francis would not have the time to devote to his political ambitions in the PNM.

"Mr. Donaldson is going to need all his diplomatic skills (remember he represented Trinidad and Tobago in the diplomatic field) in his new portfolio of labour.

"This would be particularly crucial as we envisage increased industrial unrest brought about by retrenchment and other disputes."

# Weekes Reaction

Port-of-Spain TRINIDAD GUARDIAN in English 2 Mar 85 p 3

[Text]

## SAN FERNANDO:

GEORGE WEEKES president general of Oilfields Workers' Trade Union, yesterday congratulated Mr. Errol Mahabir on his promotion as Minister of External Affairs.

At the same time, Mr. Weekes welcomed the new Minister of Labour, Social Security and Co-operatives Mr. John Donaldson.

Mr. Weekes was asked to comment on the Cabinet reshuffle by Prime Minister George Chambers.

The OWTU leader said: "I am thinking not just about the question of labour but how best can Mr. Mahabir serve as far as the national interest is concerned." He said he wished to congratulate Mr. Mahabir on what he considered the minister's hard-earned promotion into the field of international affairs.

He believed that Mr. Mahabir will be an asset to this country in lending an effective voice on matters of trade, aid and Industrial Relations.

He said he wants to

welcome Mr. Donaldson into the Ministry of Labour and recalled that he has had a good relationship with him in the past.

## RATIONALE

But two trade union leaders could not understand the removal of Mr. Mahabir from the Ministry of Labour.

"I wonder what is the rationale behind this action by the Prime Minister," said Mr. Sam Maharaj, general secretary of the All Trinidad Sugar and

General Workers Trade Union.

He said he cannot understand why Mr. Mahabir was removed at this time when hundreds of workers were being placed on the breadline. He said that Mr. Mahabir has settled a number of industrial disputes and he was now on the verge of settling others.

Mr. Owen Hinds, president-general of Contractors and General Workers Trade Union, declared that removal of Mr. Mahabir from

the Labour Ministry was nothing short of a formula for more industrial problems.

"I feel that it is ridiculous at this time to remove him from that ministry." He said that Mr. Mahabir was a strong campaigner holding the fort in the industrial front for peace between workers and employers.

But Mr. Hinds welcomed Mr. Donaldson, as the new Minister of Labour.

Panday: 'Pack of Jokers'

Port-of-Spain TRINIDAD GUARDIAN in English 4 Mar 85 p 3

[Text] The problems of corruption, mismanagement and inefficiency will not be solved by the reshuffling of Cabinet, Opposition Leader Basdeo Panday said on Friday.

Interviewed in the corridor of the House of Representatives, Mr Panday gave this reason for the reshuffling exercise announced by Prime Minister George Chambers on Thursday:

"That has nothing to do with a better administration of the country. The people cannot expect, as a result of this move that they are going to get water, houses, jobs and better roads.

"The true purpose of the reshuffling of the pack of jokers is for Mr Chambers to deal with his internal party problems. It has absolutely nothing to do with the proper administration of this country.

"And the timing of this reshuffle was influenced by the present pressure the Prime Minister is experiencing within his own party. It is also an attempt to divert attention from the economic problems facing the country."

On the specific switch of National Security Minister John Donaldson to the Labour portfolio, Mr Panday said he did not think the problems of industrial relations depended on who was the Minister in charge.

His predecessor, Mr Errol Mahabir, transferred to the External Affairs Ministry, Mr Panday contended, failed to deal with the real issue, such as unemployment and retrenchment, and Mr Donaldson would be no different.

#### Implementation for Foreign Relations

Port-of-Spain SUNDAY GUARDIAN in English 3 Mar 85 p 6

[Editorial: "Mahabir Is the Man"]

[Text] The appointment of Errol Mahabir as Minister of External Affairs is about the best move Prime Minister George Chambers has made in the four year period of holding office.

The only regret is that Mr Chambers did not take the appointment a logical step further and name Mr Mahabir Deputy Prime Minister. This would give Mr Mahabir even greater status as he confronts the major task that faces the country--namely that of attracting the sort of international notice, interest and investment that could pull us out of our economic difficulties.

It is clear that Mr Chambers recognises that the country needs a man who could deal on equal terms with the highest around the world, a man capable of making decisions, a man knowledgeable about all aspects of life here whether it relates to pure politics, industry and commerce, investment and, of course, labour.

Who else we ask than Errol Mahabir to fit the bill? That is why we applaud his appointment and feel confident that he will represent the country on the international scene from a position of confidence and competence.

This is not to underestimate the contribution of his predecessor, Dr Basil Ince, under whose administration this country was able to successfully lobby a seat in the UN Security Council.

But Ince does not have the experience or clout of Errol Mahabir and it is experience and clout and authority that we need at this time to make our bid for survival on the international scene.

It must be obvious that the corner we have painted ourselves into by our attitude to foreigners, offers no escape unless we knock down some walls. We could start with changing our view of foreigners and foreign investment as challenges to our national independence.

#### Going It Alone

It is only the insecure who fear a challenge, and our insecurity is showing up in the new regulations which came in the last budget and which now force visitors, whether on holiday or on business, to pay large sums of money just to prolong their stay for a few days, or to have business papers processed.

One result is that visitors go somewhere else and we are left to thrash about aimlessly and sink even more deeply into economic woe, cutting off noses to spite faces.

The grouchy isolationist policy of the late Prime Minister has been pursued by Mr Chambers who snubbed an invitation to a meeting with US President Reagan in Barbados in company with other Caribbean leaders. He also stayed away from last week's meeting in Barbados with Canadian Prime Minister Mulroney.

In other words we continue to behave as though Trinidad and Tobago is in a world of its own, is bigger than anybody else and could go it alone, so to hell with everybody else.

It is time we stop losing the opportunities that come our way and which, if properly utilised and channelled could make all the difference to our lives.

The Chambers Government could not bring itself to support the Grenada rescue mission which chased out the Cubans and Russians, who were holding our neighbours to ransom. Instead he chose to be bosom buddies with the likes of Forbes Burnham in Guyana, a man who ought himself to be chased totally out of sight, for the manner in which he has brought Guyana to its suffering knees.

Can Guyana help us? They can't help themselves, and if we follow their example we will always be borrowers who can't pay back.

We need to get up and get and to see ourselves as part of the international scene. A part so small that we need all the help we can get. We need markets for our products. We need to attract investment, the sort of foreign entrepreneur with something to offer. We cannot develop tourism without a foreign input, even if this only means the visitor who comes and spends good currency here.

#### Absurd Postures

Yet we make it so difficult for everyone wishing to do business with us. We treat them as pariahs and behave as though they need us more than we need them. How totally absurd.

In the changing of this attitude the Minister of External Affairs has a major role to play as he wins for us foreign friends and influences people to put their money and expertise here.

Mr Mahabir, affable, endowed with much practical wisdom and seasoned in face to face diplomacy can pull it off we are certain.

Mr Mahabir can expect to be courted by the Latin American bloc, by the other groupings who, small though we are, will want our support. The pace and intensity of geopolitics are picking up rapidly and a dynamic politician like Mr Mahabir is precisely what Trinidad and Tobago needs at this time.

The days of slow moving, enigmatic stand are gone forever. The new Foreign Minister we believe knows that, and it is why we expect we must have accepted the appointment with zeal and insight.

We wish him well.

CSO: 3298/477

TRINIDAD AND TOBAGO

PNM LEADERSHIP AT STAKE IN NEGOTIATIONS WITH BARBADOS

Port-of-Spain SUNDAY GUARDIAN in English 3 Mar 85 p 7

[Article by Stanley Payne-Jones]

[Text] Some political analysts are convinced that the coming talks between Prime Minister George Chambers and Prime Minister Tom Adams of Barbados could be crucial for the continuing internecine conflicts within the ranks of the PNM. It is fairly well believed that serious rifts exist at many levels within the ruling party.

Reports surrounding the last party elections and the conflicting public utterances by high-placed PNM officials over the Jamaat Al Muslimeen issue, lend weight to the rumours of rifts. In the latter case, while the former Minister of National Security was lavishly praising the police for not carrying out the arrest, the PNM Mayor of Port-of-Spain was vehemently condemning them for failing to do their duty.

PNM members, and others of course, were stung to the quick by the Barbados Prime Minister's reference to High Commissioner Basil Pitt as "an outright liar" and the subsequent request for the High Commissioner's removal from Barbados.

It is also said that an effect of this statement was the cessation of the heavy holiday traffic by Trinidadians to Barbados. The weekend "travel-purchasers" switched the direction of their outings, heading South to Margarita instead.

But those were the heady days of the American invasion of Grenada, and Barbados was benefiting immensely from the military operations. For a few months "Little England" rose from her economic slump, mainly though the soldiers billeted in Barbados.

The extremely posh holiday tourist resort of Heywoods, developed by the Barbados Government and criticised by Barbadians as a white elephant, was now occupied by American servicemen. Many of the other top hotels had satisfactory bookings for the first time in months, thanks to the military. And the temporary refuge of the students of the St. George Medical College added to the temporary windfall. So the Barbadians did not mind the change of venue by the Trinidadians.



## Trade Question

In fact the ordinary Barbadian man in the street reflected the official hostility. Nationals from Trinidad and Tobago were reportedly given a hard time by the Immigration Department.

Official attitudes manifested themselves in the sniping by Caribbean Airways, the Barbadian airline, against BWIA, the Trinidad and Tobago national airline.

A realistic objective view of the situation, however, would reveal that there is much to be gained by cooperation between the two countries.

When the two Prime Ministers meet, one of the issues that will of necessity come up for discussion will be the question of trade between the two countries. Trinidadian manufacturers have been calling for protection against competitive imports, especially those which are dumped locally under the guise of Caricom manufacture, and Barbados has been singled out as one area from which these goods are exported.

In any case, the economy of Trinidad and Tobago cannot bear the level of imports which it did in the luxurious days of the oil boom. What is required is more accommodation for exports from this country in the Caricom countries. Exports from T&T form only a small percentage of the total Barbadian import bill.

Another important issue will be the role of BWIA as the regional carrier as a result of the incursions of Caribbean Airways on the BWIA operations. The present strike by Pan American workers should bring this matter into sharper focus.

Observers speculate that the PNM leadership will be using these talks and their outcome to heal some of the discord which now exists within the party. They also feel that the success of the talks will be important to the Prime Minister's continued leadership of the party. They see too, the Barbadian Prime Minister as riding in a similar boat.

CSO: 3298/477



TRINIDAD AND TOBAGO

POLITICAL FIGURES REACT TO DEATH OF BARBADOS' ADAMS

FL122056 Bridgetown CANA in English 1351 GMT 12 Mar 85

[Text] Port of Spain, 12 Mar--Trinidadian political leaders have been paying tribute to Barbados Prime Minister Tom Adams who died yesterday aged 53. Prime Minister George Chambers last night expressed shock and surprise on learning of Adams death. In a statement issued through the Ministry of Information, Chambers ordered that all flags in the country be flown at half mast until the Barbadian leader's funeral on Saturday.

This country's last government minister to meet with Adams was former minister of West Indian affairs and present Agriculture Minister Kamaluddin Mohammed, who led Trinidad and Tobago's team to the meeting of Caribbean leaders in Jamaica two weeks ago.

Mohammed, then external affairs minister Dr Basil Ince and Adams shared a BWIA flight out of Jamaica and spent the time discussing the proposed meeting between the prime ministers of the two countries, according to the EXPRESS newspaper.

The summit had been planned to improve relations which had cooled over a diplomatic row related to the 1983 U.S.-led invasion of Grenada which Trinidad and Tobago had opposed. Adams had invited Chambers for talks in Bridgetown this year.

Give Prime Minister Chambers my warmest regards, Adams had told Mohammed during the flight, according to the EXPRESS, and tell him I will see him soon.

Opposition leaders also expressed their regret at Adams passing. Leader of the Democratic Action Congress (DAC) and chairman of the Tobago House of Assembly, A.N.R. Robinson, studied at Oxford University at the same time as Adams.

Mr Adams was a shrewd political whom I came to know at Oxford University, Robinson said; he impressed everyone with his capacity for details and his phenomenal memory, especially for statistics. He was undoubtedly a leading figure in the region and a highly successful leader of his country.

CSO: 3298/477

TRINIDAD AND TOBAGO

NAR LEADERSHIP ISSUE DEBATED, UNITY IN QUESTION

Plan for Naming Leader

Port-of-Spain EXPRESS in English 25 Feb 85 p 3

[Article by Harry Partap]

[Text]

THE NATIONAL Alliance for Reconstruction (NAR) is reportedly taking a decisive step to total opposition unity when it convenes a federal conference of delegates sometime in April to elect a political leader to lead the combined opposition into the 1986 General Elections.

Sources close to the joint negotiating team of the National Alliance and the Organisation for National Reconstruction (ONR) told the EXPRESS San Fernando Desk that the election of the political leader of the NAR and two deputy political leaders will be done by a federal conference of delegates in keeping with the recently agreed constitution of NAR.

The sources said that this federal conference of delegates will most likely be arranged for after the Cricket Test Match between the West Indies and New Zealand scheduled for the first week of April. According to the agreed constitution, which is still to be ratified by both the National Alliance and the ONR, the federal conference will consist of 500 delegates with voting rights from each of the two units in the NAR.

The draft constitution agreed to by the joint negotiating team specifies that the NAR consists of two units, the National Alliance (consisting of the Democratic Action Congress, the United Labour Front and the Tapia House Movement) and the ONR.

The constitution spec-

ifies the method for the election of the NAR political leader, the two deputy political leaders and the two party chairmen. It said, "The political leader shall be elected at the Federal Annual Conference of Delegates from any number of candidates but such candidates must be permitted so to be candidates by their respective parties". It said that there shall be two deputy political leaders, one from the ONR and the other from the National Alliance.

Both will be referred to as deputy political leaders of the NAR.

The constitution specified:

"(a) The election of the National Alliance deputy political leader shall be made from any number of candidates

and voted upon by all delegates present whether ONR or Alliance delegates.

"(b) The election of the ONR deputy political leader shall be made from any number of candidates and voted upon by all delegates present whether ONR or National Alliance delegates".

The constitution called for two chairmen of the NAR, one from the Alliance and one from the ONR. It said that eventually one shall be chairman and the other vice chairman of the NAR. It stated however, that in the case of the first Annual Federal Conference if the political leader should come from one unit, then the first chairman should automatically come from the other unit.

### Tapia Leader's Clarification

Port-of-Spain EXPRESS in English 26 Feb 85 p 3

[Text]

**TAPIA** chairman Beau Tewarie, responding to a story that appeared in yesterday's EXPRESS, has denied that any specific decision has been made about an NAR leadership conference in April.

"I am not trying to upset the process," explained Tewarie, "but the report is misleading, and I would not like the public to feel we have got further than we actually have. I, in fact, favour a leadership convention in April, though this has not specifically been mooted, and Tapia has stressed the need to address the leadership question."

Tewarie is convener of the party constitution committee which reports to the National Alliance for Reconstruction contact group.

He said he did not know where the information about the conference came from but it was in breach of the agreement about how information on the negotiations should be released. The quotes from the draft constitution were accurate, he said, and the possibility does exist that a leadership conference will

take place in April.

The Tapia chairman expressed anxiety over the fact that discussions within the contact group, where the actual negotiations to cement the coalition take place, are not proceeding with greater urgency. He said he has expressed this feeling at meetings.

"But we still have to ratify the constitution and the policy and programmes," he added, "and this would have to be done before the leadership question is settled, or perhaps at the same time. Seats have not yet been decided upon either."

Tewarie pointed out that there are signs of factionalism within the PNM, and that "we are heading for some trouble."

Tapia founder and former chairman Lloyd Best, at present working for the U.N. in Central Africa, is tentatively expected back in Trinidad and Tobago in March. But Tewarie indicated that Tapia would take part in a leadership convention whether Best was here or not.

Issue of Allocation of Seats

Port-of-Spain TRINIDAD GUARDIAN in English 26 Feb 85 p 1

[Text] The issue of allocation of seats to be contested will determine whether there is unity among the four parties which have formed the National Alliance for Reconstruction (NAR).

This was pointed out yesterday by Dr Beau Tewarie, Chairman of the Tapia House Movement, one of the parties in NAR.

Referring to a report that NAR would select its leader at a meeting in April, Dr Tewarie said the only thing that has been agreed upon so far was the basic structure of the group which includes the United Labour Front, the Democratic Action Congress and the Organisation for National Reconstruction (ONR).

Most Unfortunate

He said: "The fact that kind of information came from a source that could not be identified is contrary to a general principle agreed upon by NAR and it is most unfortunate in that it would raise the hopes of the population rather than do the necessary work that might give the country a clear option to move out of its present state of despondency."

Dr Tewarie disclosed that NAR's constitution was still being discussed in order to make the necessary modifications.

Talks, he continued, were proceeding amicably and there was a great deal of give and take all round.

The university lecturer continued: "The business of seats is not settled and it is not being talked about. This will determine whether we have unity or not. The leadership issue still is in abeyance and the fact that we have not agreed on the constitution means that a final formula has not been arrived at for selecting the political leader."

CSO: 3298/478

22 April 1985

## TRINIDAD AND TOBAGO

## FOREIGN TRADE, FINANCIAL ARRANGEMENTS CITED, ASSESSED

## Chambers' Absence at Summit

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 85 p 8

[Editorial: "Chambers Declines"]

[Text] The decision of Mr Chambers not to attend the meeting in Jamaica of Commonwealth Caribbean Heads of State with Canadian Prime Minister Brian Mulroney must be regarded as somewhat unfortunate.

It seems that Trinidad and Tobago's Prime Minister has rather gratuitously declined an important opportunity to have some serious, if informal, dialogue with his Caricom colleagues and also to establish some personal contact with the newly-elected Prime Minister of Canada.

In the whole complex culture of international relations, meetings of heads of government are stellar events, carrying the greatest weight and significance and expressing the most urgent concerns of the participating countries.

But even beyond the importance of their specific agendas, meetings of government leaders carry great psychological and symbolic value since they provide ultimate forums for the exchange of international good-will and understanding and the expression of friendship among different peoples.

## Significance

In the final analysis, trade between nations is really trade between the people of different nations and it is only too obvious that the friendlier people feel towards one another the greater the chances of increasing trade and other forms of economic and cultural exchange between them.

Placed in this broad context, the meeting between Caricom leaders and the Canadian Prime Minister must be seen as quite important and it is difficult for us to determine what current domestic matters are so pressing that they could not do without Mr Chamber's personal attention for a few days to permit him to meet Mr Mulroney in Jamaica.

The meeting, described by some commentators as an informal summit of Commonwealth nations in the Western Hemisphere, is of particular significance since

West Indian leaders would be meeting Mr Mulroney for the first time since his Conservative Party won a landslide victory over the Liberals last September.

Coming from a background of law and business, Mr Mulroney is a Conservative with a different political and economic philosophy to his Liberal predecessor Pierre Trudeau and, as a result, the Jamaica meeting will clearly include the vital process of re-establishing political contacts and readjusting economic perspectives.

Mr Mulroney comes to the Caribbean with a powerful mandate behind him. He is the overwhelmingly popular leader of a country which is a major trading partner with Trinidad and Tobago. In this informal getting-to-know-you session, we think that Trinidad and Tobago should be represented by the head of its government instead of a delegation of ministers.

Clearly the purpose of Mr Seaga when he arranged the meeting was to bring Mr Mulroney and Caricom heads of government together for the first time and this must certainly be the Canadian Prime Minister's expectations in coming to Jamaica.

Mr Chambers may not be unduly concerned about it, but his absence at this informal Summit, together with that of his friend Forbes Burnham of Guyana, is not likely to create the best of impressions or to enhance the image of our country in the eyes of the Canadian public.

The dictatorial Mr Burnham, of course, has little use for the West--he has sent the Canadians packing out of Guyana's bauxite industry--and no one expected him to accept the invitation to the Jamaica meeting.

#### Potential

But Mr Chambers who spouts the rhetoric of foreign investment, industrial expansion, export development and correcting trade imbalances should be consistent enough to appreciate the need for enhancing relations between TT and Canada and, therefore, the importance of his responding personally to the invitation to meet Mr Mulroney.

Mr Chambers, it will be recalled, did a similar "ducking out" act following the Nassau Caricom Summit last July when regional heads of government were invited to meet President Ronald Reagan at South Carolina.

It seems, then, that our Prime Minister is not too keen on meeting leaders of the major industrialised nations of North America, two of our country's major trading partners offering the greatest potential opportunity in our drive for export expansion and joint venture industrial investment.

According to reports, however, Mr Chambers is expected to visit China later this year. We can only hope he is going to sell Deng Xiaoping a lot of our steel and fertilisers.



### Manufacturers' Concerns

Port-of-Spain TRINIDAD GUARDIAN in English 1 Mar 85 p 3

[Text] The Trinidad and Tobago Manufacturers' Association yesterday disclosed it has asked Government to impose severe antismuggling legislation and protectionist measures to ensure the viability of the garment industry.

Mr Mumtaz Hosein, President of the TTMA's garment sector, at a news briefing at Himalaya Club, Barataria, reported that he met twice, February 15 and 26 with Mr Desmond Cartey, Minister of Industry and Commerce, to discuss proposed assistance to the garment industry.

The TTMA is presenting a "Clothes Encounter" Exposition at the Holiday Inn from March 14 to 17. The association invited the Minister to formally open the exposition. Mr Cartey agreed. The Minister was reported to be pleased that manufacturers were displaying initiative in their attempt at self-reliance.

During the discussion with Mr Cartey, Mr Hosein proposed harsh fines and jail terms, for anyone convicted of smuggling. The Minister, he said, accepted the suggestion but pointed out any changes in law must be approved first by Parliament.

#### Interim Measures

Mr Cartey recommended interim measures whereby the import licence number must be displayed on all garments which must also be ready for inspection by a committee from the Ministry.

The garment industry has made overtures frequently for protectionist measures and Mr Hosein took the opportunity at the talks to reiterate TTMA's position. He said Mr Cartey was supportive of proposal.

Mr Hosein scoffed at rumblings by Barbados manufacturers that their exports to this country dropped 10 percent in 1984 over the previous year.

"Our garment exports," Mr Hosein said, decreased 500 percent.

He argued that Barbados suffered little from recent licencing and he further reasoned that the industry's export capacity would be realised only after the local market remained reserved.

TTMA also recommended that the Minister set up a meeting under his chairmanship with local small vendors who import garments, to include them in the traditional business community. Long ago, Mr Hosein pointed out, the vendors were a small unit who could not provide the garment industry with meaningful work.

Now, however, the vendors number about 200, and are an economic force. He suggested that the vendors could supply the garment industry with their requirements and in the process save foreign exchange.

The TTMA intends further to pursue joint venture contracts under the CBI. To this end, the association will meet today with visiting delegates from the US.

In addition venders' import licences will now bear the normal ceiling prices. The mall venders once enjoyed a lower price.

#### CAIC Chief's Criticism

Port-of-Spain TRINIDAD GUARDIAN in English 1 Mar 85 p 4

[Text] Bridgetown, Thurs., (CANA)--The chief executive of the Caribbean's leading business sector body has rejected as potentially dangerous calls for the suspension of the area's troubled common market.

Mr Pat Thompson, executive director of the Barbados-based Caribbean Association of Industry and Commerce (CAIC), said suspension would be as disastrous as Jamaica's withdrawal from the short-lived West Indies Federation.

He also warned Trinidad and Tobago, whose Manufacturers' Association has advocated replacing the trade provisions of the Caribbean Community and Common Market (Caricom) with bilateral treaties, that any closure of the bulk of their market to regional exporters would eventually hurt the oil-rich country.

#### Benefits

Both the Trinidad and Tobago Government and the republic's private sector have complained that the twin-island states' trade and other benefits from Caricom do not match its multimillion dollar loan and other commitments to the regional grouping.

The complaints have become more noticeable at a time when the state is in deep economic trouble.

Recently, said Mr Thompson, there have been calls emanating from sections of the private sector in Trinidad...for the Caricom treaty to be formally suspended and to be replaced by a series of bilateral negotiations between Caricom countries.

"I believe such views to be both mistaken as well as potentially dangerous."

Mr Thompson's comments were made during an address last weekend to manufacturers in Antigua and Barbuda and a copy of the speech was released here.

He added: "Those views bear all the hallmarks of panic in the face of crisis."

Mr Thompson recommended efforts to strengthen Caricom, adding: "A formal suspension would be like the withdrawal of Jamaica from the original West Indies federation."

He said people who urged dismantling of Caricom without suggesting a viable replacement were threatening to undermine "such unity as we have left in the region and to mortgage our future and that of this part of the world perhaps for generations to come."

He also commented on Trinidad and Tobago's cutback in imports from its Caribbean trading partners and suggestions by the country's manufacturers that the government should do more to protect them from competition in their local market.

"Trinidad and Tobago will not, I believe, overcome her current difficulties nor strengthen her own economy in the longer term by attempting to restrict her own market mainly to her domestic manufacturers, artificially restraining competition from Caricom," he said.

#### Asphalt for Venezuela

FL081854 Bridgetown CANA in English 2353 GMT 7 Mar 85

[Text] Port-of-Spain, 7 Mar--Trinidad and Tobago has landed a five-million-dollar (U.S.) contract to supply Venezuela with 25,000 tonnes of refined asphalt. The deal between the Caracas-based corporation Lubaraca and the state-owned Lake Asphalt Company here was signed at the Venezuelan Embassy in Port-of-Spain yesterday.

The first shipment to Venezuela--5,000 tonnes--is expected to leave between March 25 and April 15. The remainder will be shipped at a rate of 5,000 tonnes every two months.

Company manager Ainsley Nichols said the contracts will help to improve the finances of Lake Asphalt, an operation that had been in the red until government took it over in 1978. The Trinidad and Tobago company's largest markets are Europe, the United States, Japan and Chile.

In January, the company hosted a world congress here to encourage more extensive use of Trinidad asphalt. Nichols said, too, that this year the company will be actively pursuing further contracts on the American market.

#### Lome Loan Assistance

FL131450 Bridgetown CANA in English 1900 GMT 12 Mar 85

[Text] Port-of-Spain, 12 Mar--Trinidad and Tobago has been allocated 25 million dollars (one TT dollar; 41 U.S. cents) in grant and loan assistance under the latest Lome Trade and Aid Treaty linking Europe with developing countries in Africa, the Caribbean, and the Pacific (ACP), it has been officially announced here.

Details of the package were contained in a statement from the Port-of-Spain-based delegation of the commission of the European Communities, which said the allocation was from the European Development Fund (EDF).

Trinidad and Tobago will have the use of 15 million dollars as a grant and the remaining 10 million will constitute a special long term loan extending over a 40-year period with a 10-year moratorium and at one per cent interest.

The financial package, which falls under the terms of the convention signed by 65 ACP states and 10 European Community (EEC) countries last December, was discussed last Friday when Prime Minister George Chambers met with the EEC delegate here Keith Shaw. Shaw is to meet with government officials to discuss how best to utilize the money.

#### Japanese, Swiss Funds

Port-of-Spain SUNDAY GUARDIAN in English 3 Mar 85 p 1

[Text]

GOVERNMENT is tapping the Japanese and Swiss money markets to raise some \$120 million in developmental loans. This is part of the overall plan by Government to borrow \$1,200 million both locally and externally to help in financing the \$9,000 million national Budget for this year.

Agreement has been reached for the placement of a bond issue on the Japanese market for 7,500 million yen (about \$70 million TT).

An official order has been published by the Ministry of Finance entitled The External Loans (Seven Billion Five Hundred Million Yen Bond — Series D 1985 — Placement) Order 1985.

The order exempts principal, interest and debt charges payments to overseas corporation or individual bond buyers "from all taxes or exchange control levied or imposed by or under any written law."

Similar tax and levy exemptions are also listed for non-local companies under another agreement for raising 60 million Swiss francs (about \$51 million TT).

#### PROPOSALS

The Swiss accord involves the private placement for the funds under a Note Purchase and Paying Agreement between the Trinidad and Tobago Government and Credit Suisse along with associated banks.

The order is the External Loans (Sixty Million Swiss Francs Seven Per Cent Note Private Placement) Order 1985.

Prime Minister George Chambers had announced proposals to raise \$943.2 million through foreign and domestic loans to assist in financing 1985 Budget capital expenditure. The sum of \$685 million was projected to be borrowed externally.

The overall borrowing total was increased to \$1.2 billion by the time the Appropriations Bill was later approved.

Three types of national development bonds aimed at raising some \$100 million locally were launched and subscriptions closed on Tuesday last.

They are: Five-year \$100 bond with an 8.5 per cent interest yield maturing in 1990; a 25-year bond costing \$99.10 bearing an annual interest of 10.25 per cent; and a 10-year \$100 bond with a 9.75 per cent interest rate.

CSO: 3298/479

22 April 1985

## TRINIDAD AND TOBAGO

## CARONI APPEAL OF COURT-ORDERED WAGE INCREASE SLAMMED

## Call for Government Intervention

Port-of-Spain EXPRESS in English 25 Feb 85 p 32

[Text] Leader of the National Alliance Opposition, Basdeo Panday, called on the Trinidad and Tobago Labour Congress yesterday to intervene in the sugar workers' wages dispute by forcing the Government to instruct Caroni Ltd to withdraw its appeal against the award by the Industrial Court.

Panday made the call before some 800 sugar workers at a public meeting at the Rienzi Complex in Couva. Said he: "The intervention we want now is for Congress and the labour movement to force Government to withdraw the appeal lodged by Caroni Ltd against the award. On Friday, Caroni Ltd reportedly appealed against the award which would have given sugar workers wage increases totalling \$147 million for the period 1983-1985."

The last contract expired on December 31, 1982.

Panday said the decision of Caroni to appeal was a decision by Cabinet and not really by the Board. He said this held serious implications for civil servants and workers in other State-owned companies. Panday described the action as a "vicious assault on workers." He said sugar workers must unite to win this struggle.

Panday told workers that the struggle against Caroni Ltd must be carried out at the legal, political and trade union levels. He said he had held discussions with human rights lawyer, Ramesh Lawrence Maharaj, on the legal aspects of the case and was also taking the matter to Parliament.

He told workers that they will be called upon to carry the struggle on the streets at the appropriate time. Panday's plan of action was unanimously endorsed by the sugar workers present yesterday morning.

The Opposition Leader, who also heads All Trinidad Sugar and General Workers' Trade Union, said the Government had been painting the sugar industry as a welfare industry. This was done to sour public opinion against sugar workers.

He urged the workers to do nothing that would sour public opinion and warned that the Government would seek to further destroy the industry as well as the unity of sugar workers. What was needed, he said, was rational action in dealing with the issues before them.



### Panday 'No-Strike' Appeal

Port-of-Spain EXPRESS in English 25 Feb 85 p 32

[Text] Hundreds of sugar workers were advised yesterday that industrial action in the form of strike, sabotage or go slow, was not a viable alternative at this stage of the struggle for better wages.

Urged Alliance Opposition Leader Basdeo Panday: "Strike is out...Sabotage is out...Industrial action is out...It seems to me that industrial action seems not a viable alternative at this stage."

His statement was greeted with thunderous applause from the 800-plus sugar workers who attended yesterday's meeting at the Rienzi Complex in Couva.

Panday, who is also President General of All Trinidad Sugar and General Workers' Trade Union, said that the union will hold open the option for demonstrations. The meeting was called by the union to decide on what action will be taken in the light of the decision of State-owned Caroni Ltd to appeal the wages awarded to sugar workers by the Industrial Court on January 25. Caroni reportedly appealed the decision last Friday.

Panday said the decision to appeal was "a conspiracy to prevent sugar workers from receiving an increase in wages." Said Panday: "You are not alone in this. It is the intention of the Government to meet workers with brutality in their just quest for increased wages."

He continued: "If the Government cannot find the money to pay sugar workers \$147 million in increased wages, where will they find the money to pay civil servants and the 41 other State-owned companies' increased wages?"

Panday told the sugar workers that Caroni Ltd had set a precedent by appealing the judgment of the court. He said an appeal of the court's decision must be based on law and not on the facts that were before the court. He said the right to appeal any Industrial Court decision was, "limited and restricted."

Panday added that there was a "conspiracy from the beginning to deny sugar workers a wage increase." He pointed out that a court action had already cost Caroni Ltd \$150,000, but he insisted that he had conducted the union's case before the court free of charge.

Said Panday: "The Government is pushing sugar workers, and indeed the workers of the country in general, to a position of confrontation. (Prime Minister George) Chambers realises that the people are against him, even the people who voted for him, so they are pushing workers to the point of confrontation in order to declare a State of Emergency. This will give them the powers to suspend the constitution and rule by decree for another five years."

Panday read a letter sent to Caroni's board chairman Frank Rampersad on February 11, from State Enterprises Minister Ronald Williams advising that the court's judgment be appealed.

The union leader said that the Minister had misled Parliament on February 15 when he stated that he never advised Caroni to appeal the judgment.



# Caroni's Case

Port-of-Spain EXPRESS in English 28 Feb 85 p 40

[Text]

**CARONI (1975) Ltd has created a precedent by appealing a judgment of the Industrial Court.**

The application, filed in the Court of Appeal on Tuesday, contends that the court erred in law on 13 points and is seeking that the judgment be set aside in lieu of new orders or that a new trial be ordered.

It appeals the judgment of the court in the wage dispute between Caroni and the All Trinidad Sugar and General Workers Trade Union and the Association of Technical, Administrative and Supervisory Staff.

Solicitors for Caroni, J.D. Sellier and Company Ltd, stated that the state-owned company was dissatisfied with "the whole of the decision."

Caroni's general manager, Rennie Mohammed, in an affidavit, asked that the matter be brought for hearing "by way of urgency" and be heard expeditiously in order that the wages of workers be decided upon at the earliest opportunity.

Caroni is contending that the court erred in law in holding that the company's submission of "inability to pay" was not relevant and/or was insufficient for the determination of the issues to be decided by it in relation to the trade disputes before it.

The court also erred, according to Caroni, in holding that the only issue for determination was the measure of comparison existing between wage rates of Caroni's workers and the rates of the country as a whole for comparable duties and responsibilities.

Caroni is claiming that the court erred:

- in holding, in the absence of any

evidence whatever led before the court and/or without the company being given the opportunity of being heard and/or in contravention of the Industrial Relations Act, that for the purpose of determining wages, the company must be associated with the upper quartile of companies in the manufacturing sector.

- in holding that the submissions of the Attorney General with reference to the Government's revenue position were unacceptable in the circumstances obtaining and, if so, in failing to exercise its powers under the IRA and requiring further oral evidence and argument.

- in failing to take cognisance of the undisputed fact that the company was the highest cost producer of sugar in the world and that the existing wage quotient was the measure contributing to such high cost; and in further holding that the regulatory and contractual obligations wherein the company operated were of academic interest only.

- in holding, in the absence of any evidence led before the court and/or without Caroni being given the opportunity to be heard and/or in contravention of the IRA, that the same level of increases applied to wage rates in the country as a whole as it did to the company in the period 1977 to 1982 and/or that Caroni's wage rates had started from a much lower base.

- in holding that the purported nomenclature/salary comparative studies submitted by the Director of Research attached to the Industrial Court provided any basis for the fixing of wages, COLA, and salaries for the employees.

'Dangerous Precedent' Charge

Port-of-Spain EXPRESS in English 2 Mar 85 p 3

[Text]

THE Public Services Association one of six unions comprising the Joint Negotiating Team said yesterday that if Caroni (1975) Ltd's decision to appeal a judgment of the Industrial Court becomes a generalised response by the state, their present conciliation attempts would be an exercise in futility.

The PSA's acting president Dr Kenrick Rennie said in a release yesterday that it was concerned over the appeal of the judgment in the wage dispute between Caroni and the All Trinidad Sugar and General Workers Trade Union and the Association of Technical, Administrative and Supervisory Staff in that it had set a dangerous precedent.

"The PSA notes that the state as employer, through its agents, has been constantly adopting the most retrograde and unfair industrial relations practices tantamount to abandoning of the collective bargaining process," the PSA said.

It added: "The state's behaviour in these matters has been characterised by inflexibility, refusal to consult, refusal to provide relevant information, and now a refusal to honour the award of the Industrial Court. This is a most dangerous precedent for the state as the single largest employer of the country to set and cannot be glossed over lightly."

Noting that the JNT and the Chief Personnel Officer had begun concil-

iation procedures at the Special Tribunal, Rennie said the PSA was concerned about the behaviour of the state "for if this is going to be a generalised response then it would appear that the exercise in conciliation would be an exercise in futility."

Yesterday the JNT held its first meeting with Gaston Benjamin, conciliator on the dispute and according to Dr Rennie, "it was a good day."

"Benjamin got the rational behind our proposals in respect to salaries and cost of living. He understood our present position of 35 per cent for three years and that the COLA arrangement for 1981 to 1983 be extended until signing of the contract so that workers would not have to put back anything."

Rennie added: "He understood that our position was a negotiating position, one that will accommodate movement and he is sensitive to our arguments. Benjamin appears to be moving very carefully gathering information."

Rennie said he was pleased with yesterday's meeting because "we were talking with someone who appeared to understand and appeared to be sensitive to the issues we were raising."

The six unions comprising the JNT will meet with Benjamin on Sunday, March 10 while the CPO will meet Benjamin on Monday, March 4. Both parties will meet him on Monday, March 11.

22 April 1985

## Affront to Court's Integrity

Port-of-Spain TRINIDAD GUARDIAN in English 1 Mar 85 p 1

[Text] By state-owned Caroni Limited appealing the Industrial Court's decision of a pay award to sugar workers, the Government, says Opposition Leader Basdeo Panday, was destroying the integrity and impartiality of the Industrial Court.

The Government, he said, has set a precedent for it has been the first time such an appeal has been filed.

On the other hand, State Enterprises Minister, Ronnie Williams told the House of Representatives yesterday that in these days of financial stringency, Caroni Limited has an obligation to exhaust all remedies available to it, not excluding an appeal, before making an approach to Government for more funds from the Treasury.

The award by the Industrial Court which calls for backpay of \$147 million to some 15,000 sugar workers, and against which the company has appealed, was the subject of a motion brought to Parliament yesterday by Mr Panday.

He branded the appeal as "a vicious" move by the Government to have sugar workers continue working for 1982 wages while paying 1985 prices.

Mr Panday quoted extensively from letters written by Caroni's chairman, Mr Frank Rampersad, and the Minister.

Caroni's Board of Management, he recalled, had first taken a consensus not to file an appeal, but after informing the Minister, the Board found itself with no alternative but to appeal.

When Caroni is faced with the need to increase its financial demands, Mr Williams explained to the House, the company has to demonstrate that it has taken all the steps available to it before making any approach to Government.

"It is an obligation which it cannot avoid, and cannot abrogate, however painful," said Mr Williams.

It was not that Caroni has refused to obey the order of the court. It had chosen to exercise the rights given to all by law.

Caroni, he said, has asked the Industrial Court for a stay of execution of the order, and has gone ahead and filed an appeal.

CSO: 3298/480

TRINIDAD AND TOBAGO

WEEKES RETURNED TO HEAD OWTU, CITES PLANS FOR 1985

Port-of-Spain TRINIDAD GUARDIAN in English 23 Feb 85 p 7

[Text] San Fernando: George Weekes, president-general of the 18,000 strong Oil-fields Workers' Trade Union (OWTU) and his executive committee have been nominated unopposed in preparation for the union's executive elections on March 25.

As a result, the self-styled "rebels" have been given the green light to serve another three year term.

Mr Weekes was first elected president-general in 1962 and since then he held the office up to this day, being returned on each occasion.

There will be four new faces on the executive. Chief labour relations officer, Mr Bennett Berkeley, came in as a vice-president while Mr Angus Lalsingh of Trinidad Cement and Mr Winston Edwards of Texaco, Guaya-guayare, will be two new trustees with another new vice-president, Mr Sylvester Ramquhar of T and TEC branch at Point Lisas.

Yesterday was nomination day. Returning officer was Mr Sonny Thomas of La Brea who declared the entire team led by Mr Weekes nominated unopposed.

According to the nominations, those returning are Mr Errol McLeod, first vice-president; Mr Cecil Paul, second vice-president; Mr Doodnath Maharaj, general secretary; Mr Horace Scott, assistant secretary; Mr David Abdullah, treasurer; Miss Eutrice Thornhill of Tobago, the lone female officer, as one of the vice-presidents, and Mr Stanford Patterson, trustee.

Last September at the union's annual conference of delegates, Mr Weekes announced that he was stepping down and would not stand for reelection but he reconsidered his stand and decided to accede to requests through a resolution, to stand for re-election.

[Editor's Note: In a 25 February report, page 7, the TRINIDAD GUARDIAN notes Weekes' plans for 1985:

[Mr Weekes said that priorities for 1985 will include moves to settle wage contracts on behalf of members of the union particularly to Oilworkers at Texaco Trinidad Inc. organizing a referendum to determine what action the union should take to solve problems in the oil industry to intensify a campaign for acquisition of Texaco's assets in Trinidad and Tobago.

[He said they will also communicate with the Industrial Court seeking to have the judgment handed down on the recognition issue at Amoco, which is over a year outstanding.

[They also intend to intensify their education programme by holding classes and seminars wherever they have membership in Trinidad and Tobago.]

CSO: 3298/480

TRINIDAD AND TOBAGO

DEVELOPMENTS ON ENERGY FRONT; TEXACO TAKEN OVER

Manning on Crude Prices

Port-of-Spain EXPRESS in English 28 Feb 85 p 3

[Article by Harry Partap]

[Text]

**ENERGY Minister Patrick Manning yesterday predicted a further "small" reduction in crude oil prices but does not anticipate a "free-for-all" in oil prices on the world market.**

Manning insisted that this assessment was his "personal" view, noting that the price of crude was not likely to drop below \$25 a barrel. He said it was too early to say whether spring in North America could cause further pressure on oil prices. Said Manning: "But certainly I do not anticipate a tail spin in prices."

Manning addressed a press conference following a meeting with the management team of Trinidad-Tesoro Petroleum Company at Beach Camp in Palo Seco. The Trinidad-Tesoro team was headed by general manager G. Leonard Lewis and included personnel manager David McKnight, financial manager Randolph Corbie, exploration manager Ken Durham, acting operations manager Vernon Gilbert and special pro-

jects manager Clifford Radnay.

According to Manning, Trinidad-Tesoro would increase its 1985 production level on land by 2.7 per cent to 19,185 bpd while the company anticipated an 11.6 per cent increase in marine operations to 4,000 bpd. He said the company was aiming at stabilising its production levels in 1985.

Manning pointed out that Trinidad-Tesoro had embarked on a massive exploration programme, described as a re-entry into exploration activities. He said the company was conducting exploration exercises at Galeota and two prospects were identified, one drilled, while the other was being tested. He said the company had plans to drill six wells on land this year.

Manning said that Trinidad-Tesoro was the most active oil company in the field of secondary recovery. He said the company installed five new generators last year to assist in the project. He noted the company's effort at optimisation in projects in order to reduce cost. He said the company introduced cluster drilling in land operations as one method in optimising costs. He said as many as

14 wells were drilled in one cluster. He referred to the company's computerisation of drilling operations to monitor wells and fields.

In response to a question posed by the media, general manager G. Leonard Lewis said the company's exploration programme was not totally due to the ease in the Supplemental Tax structure. In fact, Lewis said, the five per cent reduction in the Marine SPT was not sufficient to make any sizeable impact on the company, but he hastened to state that what was offered in the Budget, when it comes, would be sufficient.

Manning then explained that government had indicated to the oil companies that they were free to go ahead with their exploration programmes since the government had agreed to put into effect some of the matters relating to exploration which were under negotiations between government and the companies.

Manning said that the fact that these were not set down officially should not in any way hamper the oil companies' exploration programme.



### Call for Gulf Policy

Port-of-Spain TRINIDAD GUARDIAN in English 4 Mar 85 p 3

[Text] Stability in the Gulf of Paria is crucial for successful oil exploration and marine production by Trinidad and Tobago, and conflicts in this area between this country and Venezuela must be avoided at all costs. Dr Sahadeo Basdeo, Opposition Senator, underlined this point in a statement following the seizure, by Venezuelan authorities, of an American-owned ship conducting scientific work for Trinmar, last week.

The Opposition's chief spokesman on energy and natural resources, Dr Basdeo, a University of the West Indies (UWI) lecturer, said the expanded oil exploration programme by Amoco and Trinmar, during the 1985-1989 period, would certainly see heightened activities in the Gulf.

What was clear, he continued, was that the considerable amount of seismic surveying, scientific and exploratory and development works would take place during the next few years.

#### More Conflicts

The presence of nationals in the area and those associated with the pursuit of the country's oil interest in the Gulf may well give rise to further international conflicts between Trinidad and Tobago and Venezuela.

Senator Basdeo said:

"So that whereas our main conflict in the past had been over fishing rights in the Gulf, which has seen so many bitter outbreaks of skirmishes, the situation may well now change.

"While negotiations have resulted in the minimising of conflicts in the fishing sector, the new oil thrust by Trinmar and Amoco may result in another type of conflicts between both countries.

"As evidenced by the seizure of the vessel, this type of conflict must be avoided at all costs, for stability in the Gulf is crucial for the success of further oil exploration and marine production.

"Since oil is so important to both the economies of Trinidad and Tobago and Venezuela, the Venezuelans will, no doubt, be monitoring the activities of Trinidad and Tobago in the oil sector with close scrutiny."

He contended that since Trinidad and Tobago was about to conclude negotiations with Venezuela for crude for its refineries, it was important not only to ensure stability in the Gulf, but also for both countries to work closer together in the areas of trade, tourism commerce and other spheres.

Dr Basdeo added: "It is with this mind I am calling on Energy Minister Patrick Manning to include, on the agenda of his upcoming meeting with Venezuela, this

important issue, with the view to establishing a clear policy that would guide and permit the peaceful pursuit of oil exploration activities in the Gulf and strengthen our relations with Venezuela."

#### Trintoc Production Goals

Port-of-spain TRINIDAD GUARDIAN in English 4 Mar 85 p 7

[Text]

LAND production of Trinidad and Tobago Oil Company Limited (Trintoc) could well reach the 10,000 barrels per day mark by 1989 because of the "significant" increase in exploration and production.

That was revealed in the latest issue of "pipeline" the company's paper.

Mr Wayne Bertrand, Manager, Exploration and Production, said Trintoc's land production for 1984 increased by seven per cent over 1983. Production for December 1984 was 8,844 barrels per day resulting in a daily average for the year of 8,610 barrels per day.

He noted that Trintoc's performance in 1984 was better than the national average. It was disclosed that Trinidad and Tobago's total land production in 1984 showed a 1.6 per cent decrease over 1983.

#### FIRST ENVISAGED

More details of the company's performance and projections for 1985 will be given by Minister of Energy and Natural Resources Mr Patrick Manning, when he visits the company at Point Fortin today, in another of his technical meetings of the oil companies in the country.

Meanwhile Mr Bertrand said the company in preparing its 1984 programme had first envisaged a 1984 target of 8,200 barrels per day. At the mid-year review in June 1984 the division felt confident enough to increase this target to 8,600 barrels per day and was able to achieve this new target.

It was stated too, that Trintoc's performance in 1984 is ample testimony of the company's efforts in response to the Government's call and the national need for greater oil production.

It should further be noted that when the company came under national ownership in 1974 daily crude oil production from land fields was in the region of 6,000 barrels per day.

At that time as well crude oil production was declining at a rate of some six per cent annually, a trend which if not arrested would have resulted in a present production of less than 3,000 barrels per day.

Mr Bertrand said while looking ahead, the 1985 target was 8,900 barrels per day — a 3.3 per cent increase. He indicated that for the rest of the decade he expected annual increases of roughly four per cent per annum.

"This would mean that Trintoc's land production would hit the 10,000 barrels per day average in 1989," he stated.

He reviewed the production over the last few years — 1981 — 7,596 barrels per day; 1982 — 7,688 barrels per day 1.6 per cent increase; 1983 — 8,046 barrels per day — 4.6 per cent increase and 1984 — 8,610 barrels per day — 7.0 per cent increase.

It was revealed that Trintoc's impressive performance in 1984 resulted from increased activities in the main production areas: workover, drilling and enhanced recovery. Drilling accounted for 540 barrels per day over the year, with the December production being 1,350 barrels per day.

Workers produced an annual average of 425 barrels with the December average being 640 barrels per day. Enhanced oil recovery accounted for an average 525 barrels per day.

## Union on Texaco Records

Port-of-Spain EXPRESS in English 28 Feb 85 p 40

[Text]

**THE Oilfields Workers Trade Union yesterday charged that Texaco Inc was shifting away important geological documents headquarters in New York.**

Union president general George Weekes said that reports reaching the union confirmed that certain geological maps and data were being packed for shipment. Weekes said he had brought the matter to the attention of Labour Minister Errol Mahabir while union branch officers had discussed it with Energy Minister Patrick Manning.

Weekes said the company's action must have

signalled that the current negotiations between the Government and Texaco for the purchase of the company's assets had been completed. However, he said, Texaco must not be allowed to shift away documents relevant to the oil industry. He said no multi-national should deny these important documents to its country. He said it was unfair for Texaco to do so.

Contacted yesterday, Mahabir said he was unaware of any such exportation of documents from Texaco. However, Mahabir said if this was true it was not in keeping with the current negotiations. Mahabir said he would look into the

matter. But it was learnt that Texaco had been carrying out its normal inventory into the state of the company as required each year. Asked if the current negotiations between Texaco and the Government to purchase the company's assets were completed, Mahabir answered in the negative. He pointed out, however, "that substantial progress" had been made in the negotiations so far.

It was learnt that Texaco's general manager, Lloyd Austin, left Trinidad yesterday for New York to join the company's negotiations team and that this country's negotiating team leader, Dodderidge Alleyne, was expected at the weekend for important talks with the inter-ministerial team.

## Takeover of Texaco

Port-of-Spain EXPRESS in English 4 Mar 85 pp 1, 40

[Text]

**THE TRINIDAD and Tobago Government took control of the multi-million dollar assets of Texaco Trinidad Inc. last Friday, the EXPRESS was told yesterday. And it is expected that Cabinet will formalise the deal later this week.**

A source close to the Government said the vesting date of the agreement was March 1, 1985. And Texaco employees confirmed this by pointing out that since last Friday the company's records had been entered under the name of the Government of Trinidad and Tobago and not Texaco Trinidad Inc.

The source said that the agreement was already drawn up and should be placed before Cabinet on Thursday for its consideration. He added that this would be a "mere formality" since the take-over date had been set as March 1, 1985. This country's chief negotiator, Dodderidge Alleyne, is currently "crossing the t's and dotting the i's" in the agreement, the source said.

Cabinet is also expected to announce a date for the ceremony at which the national flag will be hoisted above the company's administration building at Pointe-a-Pierre.

The source did not disclose details of the agreement but it was learnt that it included the lucrative marine operations which was not in the original sale package offered by Texaco in early 1983.

The agreement covered the company's Pointe-a-Pierre refinery,

the oil producing fields at Guayaguayare, Brighton, Forest Reserve and Barrackpore. It included oil bunkered in storage tanks and pipelines as well as the company's 400,000 acre-real estate holdings scattered throughout the southland.

The company also relinquished the Augustus Long Hospital at Pointe-a-Pierre, nine berths and the major mooring facility for super oil tankers at Pointe-a-Pierre. It was learnt, too, that the purchase price is now substantially higher than the US\$175 million announced by Prime Minister George Chambers on August 30, last year.

Oilfields Workers Trade Union (OWTU) leader Georges Weekes, when contacted at his home in San Fernando yesterday said, "I have no official word but it would seem that something has happened. Our branch officers held talks with Mr Austin on Saturday and brought up the issue but he told them that the sale was still being negotiated. However, reports coming in from Pointe-a-Pierre from workers say a different thing. There has been an unusual flurry of activity at the plant."

All last week Texaco and Trinidad and Tobago Oil Company (TRINTOC) auditors had been carrying out audits at various departments, at the refinery tanks and at the bond. The OWTU also raised objections when the company allegedly shipped out important geological maps and documents believed to be critical to the further exploration of the company's land and marine producing fields.

These objections were lodged with both former Labour Minister Errol Mahabir and Energy and Natural Resources Minister Patrick Manning. Both ministers promised to investigate the matter.

Last week, too, Texaco's general manager Lloyd Austin made a hurried trip to the company's regional headquarters in Coral Gables, Miami, on what was described as "routine matters." Austin returned to this country last Friday.

Texaco had set up operations in this country in 1956 when it bought out the assets of Trinidad Leaseholds Ltd for BW\$302 million. The company's payroll is now about 3,000 workers.

#### New Offshore Oilfield

FL122016 Bridgetown CANA in English 1921 GMT 12 Mar 85

[Text] Port-of-Spain, March 12--The discovery of the first new oilfield off southwest Trinidad since 1966 could mean an extra 1,500 barrels of crude per day for the key petroleum sector here, government has announced.

Following a meeting with the state-owned Trinidad Marine Limited (Trinmar), Energy Minister Patrick Manning said the discovery would bring a welcome addition to Trinidad and Tobago's current production of 178,000 barrels per day. The petroleum sector, mainstay of the economy for the last decade, is now slowly recovering from a production slump.

The new field was identified in December 1982 as part of the company's exploration programme. Subsequent work at the site proved the company correct and according to Manning, one well is now producing 494 barrels per day with a potential of 819 barrels.

Manning said the new field, which he described as medium size, already has seven new wells with a similar number to come in the near future. A line to the nearest platform is now being laid, Manning said.

The decline in crude oil production was arrested in 1984 when a 5.6 percent increase on the previous year's output was recorded. The production increases were mainly attributable to the growth in marine drilling.

Trinmar and the other major marine producing company here--Amoco--have proposed expanded work programmes for the coming 5-year period. Trinmar alone plans to spend some 100 million dollars (one TT dollar; 41 cents US) in exploration and development this year.

CSO: 3298/481

TRINIDAD AND TOBAGO

PRICE OF CEMENT INCREASES; COMPANY PROSPECTS 'BLEAK'

Port-of-Spain SUNDAY GUARDIAN in English 3 Mar 85 p 1

[Text]

CEMENT will retail at \$12 a bag from tomorrow, but the increase (up from \$10.20) is expected to have only marginal effect on building prices, taking the cement input of average construction costs from 2.2 per cent to 2.7 per cent.

The actual, ex-factory price is now \$8.84 a 42.5 kg. bag (up from \$7.27) for Ordinary Portland (OP) cement, to which are added a 10 per cent government purchase tax, transportation and approved dealers' mark-up of 88 cents a bag, to give the retail price of \$12.

Bulk cement which is bought from Claxton Bay goes up from \$170.55 to \$208 a tonne (ex-factory net of purchase tax), while figures for Sulphate resisting (SR) cement are \$18.48 and \$435 a bag and a tonne, respectively (ex-factory and net of purchase tax). SR also meets oil-well requirements and sales to the sector have been resumed.

Carroll M. Robinson, General Manager of Trinidad Cement Ltd., yesterday said despite the price increases, "the prospects for TCL remained bleak" because of a reduction in cement sales caused by the downturn in the construction sector, and also because the company continues to operate not only the new, 300,000 tonnes-a-day cement plant recently constructed, but also "the antiquated and inefficient plant which the Government purchased in 1976 from the previous owners, Rugby Portland Cement Company."

He said that operation of the old plant is necessary since the capacity of the new plant is inadequate to meet even the reduced domestic demand, and although an investment decision had been made in principle to refurbish the old plant to improve its efficiency, "the financing of the project has been the constraint."

CSO: 3298/482



TRINIDAD AND TOBAGO

POLICE SWEEP NETS 84 ON ARMS, DRUGS, OTHER CHARGES

Port-of-Spain TRINIDAD GUARDIAN in English 25 Feb 85 p 1

[Text] Eighty-four persons have been held in an anticrime drive mounted by the acting Police Commissioner Clive Sealey. Homes were searched in all the police divisions throughout Trinidad and Tobago early yesterday morning.

Assistant Commissioner (Crime) Alic Heller directed the field operations from Port-of-Spain to as far south as Cedros, as far east as Sangre Grande, Diego Martin in the west and Tobago.

The charges include armed robbery, store-breaking, warehouse breaking, house breaking, and larceny; possession of arms and ammunition, possession of stolen jewelry, possession of foreign currency and possession of cocaine.

Of ten men picked up in Sangre Grande where Insp. Rudolph Steele led a party, eight are expected to face narcotics charges, including cocaine charges. One is to be charged with possession of bush rum and the other possession of arms and ammunition.

Twenty persons were held at Siparia, 14 at San Juan, seven each in Tobago and Chaguanas, five in Princes Town, three in the Besson Street, Port-of-Spain area, two each in Belmont, San Fernando, Arouca, St James and Diego Martin.

Officers involved in the sweep by more than 200 policemen included Supt. Dennis Taylor of Southern Division, Asst. Supt. Codrington George, Asst. Supt. Colvin Cox, Inspector Ronald Denoon, Inspector Carlos Mathura, acting Inspectors Henry Millington, Clyde Reyes and James Philbert Sergeant Clinton McNeil, Sergeant Lloyd Williams, acting Sergeant Lance Lashley, Corporal Gregorio Correira and Corporal Gregorio Correira and Corporal Mervyn Ashby. The policemen had tracker dogs.

CSO: 3298/482

TURKS AND CAICOS

PAPER COMPLAINS ABOUT UNCOMMUNICATIVE GOVERNMENT

Grand Turk TURKS & CAICOS NEWS in English 17 Jan 85 p 4

[Editorial]

[Text]

**LAST WEEK** we talked to a number of business people in Grand Turk who are clearly worried about present economic conditions on the island. Many reported that their business had not only slowed down, but had come to a grinding halt. Almost everybody reported the past Christmas as being the worst season they had experienced in years. Everybody in Grand Turk is beginning to worry about the future of the island, and is wondering quietly what plans the Government has for stimulating development on the island.

Funny thing is, everybody asks us what is going to happen. Quite frankly, we don't know. The men who run this country don't believe in discussing "their" business with the press . . . and worse still, it seems, with the people who elected them to power. We say "their" business because that is exactly how some of them treat public information — as if it is their bedroom business.

Every day, almost, someone calls our office or writes in to thank us for the job we are doing with this newspaper. Many tell us that if it weren't for the *Turks & Caicos News* they wouldn't have any idea what is happening at all. People assume that because we publish this paper we have easy access to Government, and can therefore be a constant information link between the Government and the people. That is how it is supposed to work in civilised, democratic countries. ~~Not so here.~~

Readers of this paper have no idea what trouble we go through getting information from Government — information that could help to improve their public relations image and make them look good. A sensible government tries to establish a good relationship with the press. A government that

does not recognise the role of the free press in the building of society has motives that should arouse the suspicion of all whom it governs. It is true that there is a certain mentality in the leadership of this country that would like to control the content of the press and the freedom of individuals, but they had their way.

A very disturbing incident took place at the airport in Grand Turk, just before Christmas. An American, who was booked on a flight into Miami, was apprehended at the airport on a civil charge. During the arrest, a slight scuffle took place, and in the excitement of the moment an American tourist, who was also leaving on the same flight, aimed his camera and started taking pictures of the incident. At that point a policeman seized his camera and confiscated the film. When the visitor protested, the policeman rudely informed him that this was his island and he was only a mischief-making white man.

Now, we are next door to Haiti, but we thought that one of the things that used to distinguish our system from theirs is that this is a British colony, where the rights of the individual are supposed to be protected by the police, not taken away. There is a law which restricts the publishing of certain material that may be harmful to the character or reputation of a person; but we are not aware of any law in our society that prohibits someone from taking pictures. There may be exceptions where national security is concerned, but certainly not in this instance.

Appalling things happen in this little place, we can tell you. Appalling to the sensitivity of those who come here with the belief that they are protected by that highly-regarded system known as "British Justice". More and more we have to conclude that those in the leadership of this country either don't know or don't care what damage is done every time someone leaves with a bad impression of our islands.

TURKS AND CAICOS

GOVERNMENT REVENUE SHORTFALL DEBATED IN LEGISLATIVE COUNCIL

Grand Turk TURKS & CAICOS NEWS in English 31 Jan 85 p 2

[Text]

**A COMMITTEE**, including representatives from the private sector, has been set up to suggest new ways of raising government revenue, Chief Minister **Norman Saunders** told LegCo last week.

He made the statement in reply to Opposition Leader **Clement Howell** (Providenciales), who had asked what plans he had to take the country "out of the financial predicament we are in."

Mr. Saunders acknowledged that the country was experiencing a shortfall in revenue, so he had set up the committee to suggest possible new sources.

In his first question to the Chief Minister, Mr. Howell asked Mr. Saunders how he could account for so drastic a shortfall in government finances "when in July during the Budget debate you boasted of a surplus and prided yourself on the presentation of a workable budget, yet in December civil servants could not receive their usual Christmas advance."

Mr. Saunders replied that Government had indeed made a surplus last year but this success had worked against them because the British Government had reduced its aid — at a time when Government was having to bridge the gap in its revenues caused by the loss of rent from the closed U.S. base.

Mr. Saunders told Mr.

Howell he should address to the British Government his question as to whether the inability to collect the outstanding \$750,000 in electricity bills would affect Britain's agreement to extend the local government's overdraft facility.

The Chief Minister also said he did not feel obliged to answer Mr. Howell's question as to whether he had consulted Jamaican Prime Minister **Edward Seaga** about increasing Customs tariffs.

Question Time gave the Opposition leader a chance to quiz government ministers on a wide variety of subjects.

In the first, Mr. Howell asked what was happening to American developer **Bob Wilson's** \$40million plans for developing in North Caicos, Providenciales and other islands.

Development and Commerce Minister **Stafford Missick** replied, "The government has agreed in principle to Mr. Wilson's proposals but he has yet to come forward with any specific details."

Mr. Howell also wanted to know if it were true that Johnston International had been given a certain acreage of land on Provo, and if so

for what consideration. Mr. Missick replied that land had been part of the final settlement between Club Med and Johnston and was to be used to provide a home base for the company in the Islands.

Turning to Works, Public Utilities and Labour Minister **Nathaniel Francis**, Mr. Howell asked what the government intended to do about electrical supplies to hotels. Mr. Francis replied, "We are trying to reach agreement with hotels as regards electricity."

Answering a question about the former U.S. base on Grand Turk, Mr. Francis said that \$21,584 of public funds had been spent to maintain it since it closed.

He also told Mr. Howell he could not say how much of the \$750,000 in outstanding electricity bills had been received by Government as he had no breakdown of the amounts collected.

Health and Education Minister **Robert Hall** told Mr. Howell that a telephone was to be installed at Lormers as soon as possible.

In answer to another question, he said he thought the Caicos district boards were functioning and he saw no need to re-organise them.

TURKS AND CAICOS

BRIEFS

ARMS SMUGGLING REPORT--POLICE headquarters in Grand Turk have received information that arms and or munitions were smuggled into South Caicos on January 20 and subsequently exported. Investigations were started, but up to February 1 had not resulted in evidence which would justify charges being brought against anyone. The investigations have, however, disclosed evidence of smuggling of other items into South Caicos on the same occasion, without Customs declaration and without payment of duty. Two men have been assisting the police with their enquiries into these matters and charges may be brought. [Text] [Grand Turk TURKS & CAICOS NEWS in English 7 Feb 85 p 1]

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